

MINUTES

ADJOURNED REGULAR MEETING OF THE
BOARD OF DIRECTORS

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

AUGUST 20, 2002

44951 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, August 20, 2002.

The Meeting was called to order by Chairman Pace at 10:20 a.m.

44952 The Meeting was opened with an invocation by Peter C. Villalobos, junior buyer with the procurement team of Metropolitan and representing Watermasters Toastmasters.

44953 The Pledge of Allegiance to the Flag was given, led by Director Carol W. Kwan.

44954 Secretary Coughran called the roll. Those answering present were: Directors Ashley, Bakall, Ball, Bannister, Blake, Brick, Brown, Coughran, De Jesus, Edwards, Fellow, Foley, Grandsen, Hansen, Herman, Kwan, Lewis, Loveland, Luddy, Mejia, Morris, Morse, Murph, Murray, Mylne, Owen, Pace, Parker, Peterson, Stanton, Troxel, and Wright.

Those not answering were: Directors Abdo, Castro, Harris, and Rez.

The Chair declared a quorum present.

44955 Chairman Pace invited members of the public to address the Board on matters within the Board's jurisdiction.

Courtney Cuff, Pacific regional director of National Parks Conservation Association, spoke in opposition to the Cadiz project. She presented the Board with 3,000(+) letters from citizens also expressing their opposition to the project on the basis of environmental grounds, concern for the Mojave national preserve and the Bureau of Land Management wilderness area, and on economic grounds. She asked the Board to carefully review this project.

Trudy Ohlig-Hall, citizen of Costa Mesa, spoke in favor of desalting water and encouraged the Board to build desalination plants in Southern California.

Faramarz Nabavi, representing Public Citizen, and also speaking for other environmental groups, asked the Board to bring to a halt the proposed Cadiz project, especially since the Cadiz company is in a shaky financial situation with its Middle Eastern partner withdrawing from participation with the company. He also expressed opposition to the project on environmental grounds and stated that some of Metropolitan's member agencies are concerned since their constituents are requesting them to oppose the project. Mr. Nabavi stated that the Cadiz project is unnecessary, is expensive, and has severe environmental consequences. He urged the Board to protect the public's interests, and expressed his appreciation for the diligent work of Metropolitan to make sure that adequate water supplies are provided to Southern California and for its extensive water conservation campaign.

Terry G. Spragg of Terry G. Spragg & Associates praised the creativity of the Board on its desalination activities. He again asked the Board to also consider waterbag technology as a means of transporting water from other areas to Southern California, which technology is being used in the Middle East. For further information he made reference to his letter to Mr. Gastelum dated August 19, 2002.

44956 There being no objection, the Chair ordered the reading of the Minutes of the Meetings of June 24 and July 9, 2002, dispensed with, copies having been mailed to each Director.

Director Ball moved, seconded by Director Murph and carried, approving the foregoing Minutes as mailed.

44957 The General Counsel's letter signed August 19, 2002, was presented, transmitting the credentials evidencing the appointment by the City of Los Angeles of Deborah Dentler as one of its representatives on Metropolitan's Board for an unexpired portion of a term ending December 31, 2002, replacing George Wein.

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

Habte-Wold Kassa, Notary Public, administered the Oath of Office to Ms. Dentler.

The Chair ordered the credentials, together with the General Counsel's letter, received and filed.

Following an introduction by Vice Chairman Luddy, Director Dentler took her seat as a Director representing the City of Los Angeles.

44958 Chairman Pace presented to Director Helen Z. Hansen a pin for her five years of service on Metropolitan's Board, representing the City of Long Beach.

44959 Chairman Pace reported that the committee appointments for Director Dentler would take place at a later date.

Director Luddy withdrew from the Meeting at 11:01 a.m.

44960 Chairman Pace reported that on July 16 Director Fellow and himself participated in a news conference with actress Rene Russo at the Rancho Santa Ana Botanic Garden in Claremont to promote a new water conservation campaign aimed at reducing unnecessary outdoor water use and encouraging the use of native drought-resistant plants. The conservation campaign ads will be

shown at movies, cable TV spots, classroom programs, and radio commercials. On July 24 the Colorado River Board held a workshop at Metropolitan's Headquarters on drought conditions and the Colorado River Water Use Plan. A number of Directors attended this workshop. Chairman Pace commented on his memo to the Board of August 15, 2002, regarding major policy issues, which will be discussed at the Subcommittee on Rules and Ethics on August 27, 2002. At the request of the Chair, Director Loveland reported on the trip to Sacramento by some Directors and of their meetings with legislators.

44961 A letter from the Chief Executive Officer signed August 15, 2002, 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 2002/03 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, 2002, based on certificates of assessed valuation of property taxable by Metropolitan for fiscal year 2002/03, 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, 2002

Assessed Valuation

<u>Member Agency</u>	<u>Amount Certified</u>	<u>Percent of Total</u>	<u>Vote Entitlement</u>
Anaheim	\$ 25,102,898,003	2.02	2,510
Beverly Hills	12,410,493,113	1.00	1,241
Burbank	11,491,366,520	0.93	1,149
Calleguas MWD	49,935,835,435	4.02	4,993
Central Basin MWD	71,852,873,499	5.79	7,185
Compton	2,013,018,713	0.16	201
Eastern MWD	25,991,998,954	2.09	2,599
Foothill MWD	7,809,543,625	0.63	781
Fullerton	8,913,150,483	0.72	891
Glendale	14,141,637,511	1.14	1,414
Inland Empire Utilities Agency	44,413,880,232	3.58	4,441
Las Virgenes MWD	11,817,446,401	0.95	1,182
Long Beach	21,516,446,725	1.73	2,152
Los Angeles	241,685,904,837	19.48	24,169
MWD of Orange County	213,937,210,637	17.24	21,394
Pasadena	11,732,059,044	0.95	1,173
San Diego County Water Authority	215,699,484,233	17.38	21,570
San Fernando	938,330,247	0.08	94
San Marino	2,656,169,277	0.21	266
Santa Ana	13,758,390,199	1.11	1,376
Santa Monica	14,538,394,108	1.17	1,454
Three Valleys MWD	32,237,553,868	2.60	3,224
Torrance	14,747,487,434	1.19	1,475
Upper San Gabriel Valley MWD	45,636,216,173	3.68	4,564
West Basin MWD	85,622,557,416	6.90	8,562
Western MWD	40,390,720,962	3.25	4,039
TOTAL ASSESSED VALUATIONS WITHIN DISTRICT	<u>\$1,240,991,067,649</u>	<u>100.00</u>	<u>124,099</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.

44962 Budget, Finance and Investment Committee Vice Chairman Blake moved, seconded by Director Edwards, that the Board adopt **Resolution 8823** which fixes the District's secured property tax rate for District purposes for fiscal year 2002/03 at .0067 percent of assessed valuations and an unsecured property tax rate of .0077 percent, together with various tax rates for annexation charges due Metropolitan, thereby producing a total levy of \$100.2 million, including an allocation estimated at \$14.3 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 \$97.9 million, as set forth in the Chief Executive Officer's letter signed August 15, 2002; said Resolution entitled:

A RESOLUTION LEVYING TAXES FOR THE FISCAL YEAR COMMENCING JULY 1, 2002 AND ENDING JUNE 30, 2003 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, 2,510 votes), Burbank (Dir. Brown, 1,149 votes), Calleguas Municipal Water District (Dir. Grandsen, 4,993 votes), Central Basin Municipal Water District (Dirs. Morse and Pace, 7,185 votes), Compton (Dir. Murph, 201 votes), Eastern Municipal Water District (Dir. Ashley, 2,599 votes), Foothill Municipal Water District (Dir. Edwards, 781 votes), Fullerton (Dir. Blake, 891 votes), Inland Empire Utilities Agency (Dir. Troxel, 4,441 votes), Las Virgenes Municipal Water District (Dir. Peterson, 1,182 votes), Long Beach (Dir. Hansen, 2,152 votes), Los Angeles (Ayes: Dirs. Dentler and Herman. Absent: Dirs. Castro and Luddy. 24,169 votes), Municipal Water District of Orange County (Dirs. Bakall, Bannister, Foley and Owen, 21,394 votes), Pasadena (Dir. Brick, 1,173 votes), San Diego County Water Authority (Dirs. Ball, Lewis, Loveland, and Parker, 21,570 votes), San Fernando (Dir. Mejia, 94 votes), San Marino (Dir. Morris, 266 votes), Santa Ana (Dir. Coughran, 1,376 votes), Three Valleys Municipal Water District (Dir. De Jesus, 3,224 votes), Torrance (Dir. Wright, 1,475 votes), Upper San Gabriel Valley Municipal Water District (Dir. Fellow, 4,564 votes), West Basin Municipal Water District

(Dir. Kwan and Murray, 8,562 votes), Western Municipal Water District of Riverside County (Dir. Mylne, 4,039 votes). Total 119,990 votes.

No: None.

Abstain: None.

Absent: Beverly Hills (Dir. Harris, 1,241 votes), Glendale (Dir. Rez, 1,414 votes), Santa Monica (Dir. Abdo, 1,454 votes). Total 4,109 votes.

The Chair declared **Resolution 8823** adopted by a vote of 119,990 ayes and 4,109 absent, representing more than the required two-thirds vote.

Director Luddy returned to the Meeting at 11:10 a.m.

44963 Chairman Pace announced that a section of the 91 Freeway between Alameda Avenue and Avalon was named after Director Willard H. Murray, Jr., who was a former member of the California State Assembly.

44964 Chairman Pace stated Agenda Item 5G regarding term limits for Board Chairman would be taken up at the end of the meeting.

44965 Regarding the Colorado River, Bay-Delta and CALFED matters, and the summary of District activities, Chief Executive Officer Gastelum referred to his activity report dated August 13, 2002, which was distributed earlier.

Mr. Gastelum reported that Metropolitan was now at a point when critical issues and decisions on the Colorado River would have to be made. He stated that at the next Executive Committee meeting a more detailed status report and the staff's views on how this can be resolved would be presented. Metropolitan and San Diego County Water Authority will need to convince Imperial Irrigation District that there is a good plan for their consideration.

Chief Executive Officer Gastelum also stated that he had no plan to leave Metropolitan immediately pursuant to some speculation reported in a recent news article that he would be

taking a position or starting a company that would be in the water business.

44966 Regarding Legal Department activities, General Counsel Kightlinger referred to his activity report dated July 31, 2002, which was distributed earlier. Mr. Kightlinger reported that being distributed to the Board today are copies of Appendix A to Metropolitan's Official Statement for issuance of bonds which will have to be reviewed by both staff and the Board. If there are any comments, those should be submitted to Assistant General Counsel Sydney Bennion by noon on August 27, 2002. He stated the Appendix provided a very good comprehensive overview of Metropolitan's operations and other matters and potential liabilities.

General Counsel Kightlinger also reported on other matters of interest to Metropolitan. In *State Water Contractors v. East Bay Municipal Utility District*, Metropolitan had joined with the State Water Contractors (SWC) to challenge East Bay Municipal Utility District's (EBMUD) agreement with Sacramento in which EBMUD would begin construction of a pipeline around the Delta, its own version of a peripheral canal. The SWC were concerned that the environmental documentation on this was inadequate at the time and did not address this alternative, and that EBMUD had planned to proceed based on its agreement with Sacramento. The court did not agree with the SWC perspective that everything should be halted until the new environmental documentation was accomplished, but the court did agree that further documents were required and inquired of EBMUD when that would be forthcoming. Metropolitan and the SWC are currently preparing a stipulation with EBMUD that would require new environmental documentation and making sure that the environmental impacts relating to moving this water around the Delta are mitigated.

In the *Topsail Court Homeowners Assn. v. County of Santa Cruz* case, the ruling specifically stated that water agencies were not exempted for siting treatment facilities. In Metropolitan's view, this was an oversight, and legislation covering this had exempted water agencies from zoning on production, generation, storage and transmission facilities, but did not include the word "treatment." Metropolitan had always built their treatment facilities and worked through local agencies without complying with local zoning ordinances. The

Topsail case now required water agencies to comply with the zoning ordinances. Metropolitan, working with the Association of California Water Agencies, had planned to appeal that case. However, Senator Jim Costa sponsored SB 1711 in response to this case, which passed the Senate on a unanimous vote and likewise in the Assembly. It was sent to the Governor for signature, and this bill would resolve the matter of an appeal.

44967 General Auditor Riss gave a summary report of the Audit Department's activities for the months of June and July. He began by noting that a traditional Audit Report was issued on the Review of Agreement with U.S. Guards, Inc. Next, he commented that three Report Card reports were issued. He then noted that these were on the Oracle Financials Upgrade Project, the PC Replacement Project, and the Water Information System (WINS) New Rate Structure Implementation Project.

44968 Ethics Officer Anderson briefly commented on the federal legislation, the Sarbanes-Oxley bill, which was signed by President Bush on July 30, 2002. It covers ten major items that will be reported on in more detail at the Subcommittee on Rules and Ethics meeting. One of the things highlighted was that of disclosure. At yesterday's Budget, Finance and Investment Committee meeting, a question was asked about the process for Metropolitan's certification of its financial reports. This topic is one that will certainly be discussed at length at the next Ethics Officers' Association meeting due to the impacts of Enron and other organizations that are now in bad financial situations.

44969 The reports of the Standing Committees are as follows:

Chairman Pace reported the Executive Committee, at its meeting on July 16, heard reports from the Subcommittee on Rules and Ethics and from Vice Chairman Foley on the activities of the Colorado River Board. Chief Executive Officer Gastelum gave his report of Metropolitan's activities.

Asset, Real Estate and Infrastructure Policy Committee Chairman Peterson reported the committee heard reports on (a) the status of the Real Property Database project, and information on Metropolitan's unrecorded properties along the Colorado River Aqueduct and options for recording those properties; (b) the status of the Riverside County Integrated

Plan which focused on the Community and Environmental Transportation Acceptability Process of the transportation plan component, the milestones achieved to date, and the potential impacts to Metropolitan facilities; and (c) the Information Technology Strategic Plan. The committee deferred to September the consideration of policy on requests of ingress and egress over District property.

Budget, Finance and Investment Committee Vice Chairman Blake reported the committee approved Agenda Items 5F-2, 8-4, and 9-2. The committee requested staff to report at a future date on certification of financial statements, replenishment availability, and a seminar on debt structure.

Communications, Outreach and Legislation Committee Chairman Fellow reported on the press conference hosted by Director Kwan and himself to roll out the "tap into it" brochure which was translated into several foreign languages and which received coverage in several newspapers and television news broadcasts. Two Liquid Art receptions were held last month in the cities of Fullerton and Long Beach, which were well attended. The 2002/03 Community Partnering Program began with sponsorships of \$17,500 and \$4,000 for the Aquarium of the Pacific and the Ballona Wetlands Foundation, respectively. There was a successful launching of Metropolitan's summertime, long-term conservation program. The conservation program was presented via a video of a news conference on July 16 at the Rancho Santa Ana Botanical Garden, with actress Rene Russo leading the campaign. The legislative representatives in Washington, D.C. and Sacramento gave reports on current activities. A media training and risk communication workshop was held for member agencies and retail agencies as part the ongoing Rapid Response program.

Engineering and Operations Committee Chairman Ashley reported the committee approved Agenda Items 8-1 and 8-2. The committee heard a presentation on the Water System Control Master Plan. A joint meeting with Water Planning, Quality and Resources Committee was held to hear the report on Agenda Item 10-2 regarding the San Diego Pipeline 6 project. Some member agencies also gave reports. Staff was directed to report back to the committee next month with an implementation plan with options for the San Diego Pipeline 6 project that also addresses the policy issues associated with each possible action.

Legal, Claims and Personnel Committee Chairman Owen reported the committee approved Agenda Items 9-3 through 9-6 and requested they be added to the Consent Calendar.

Water Planning, Quality and Resources (WPQ&R) Committee Chairman Morse reported the committee heard Agenda Item 10-2 at the joint meeting held with the Engineering and Operations Committee. The WPQ&R Committee approved Agenda Item 8-5. A report was given on the Bay-Delta and State Water Project matters. Jeff Scott, director of the Environmental Protection Agency (EPA) Hazardous Waste Program, assisted by Larry Bowerman, gave a presentation covering the physical nature and movement of perchlorate and the efforts of EPA and the state of Nevada to clean up the sources.

Director Herman withdrew from the Meeting at 11:26 a.m.

44970 Diamond Valley Recreation Special Committee Co-chair Peterson stated that at its meeting of August 8, 2002, the committee approved Agenda Item 9-1 and requested that it be placed on the Consent Calendar.

Director Wright moved, seconded by Director Stanton and carried, and the Board approved the Consent Calendar Items, **M.I. 44971** through **M.I. 44979** as follows:

44971 Adopted the California Environmental Quality Act (CEQA) determination and (a) approved the proposed modifications to the Robert B. Diemer Filtration Plant Improvements Program; and (b) authorized \$760,000 in Appropriation No. 15331 (No. 3) from the Construction Funds and all work up to award of a competitively bid contract for Phase 2 of the Diemer Filtration Plant-Construct Sedimentation Basins Spillways Program, as set forth in the letter signed by the Chief Executive Officer on July 30, 2002.

44972 Adopted the CEQA determination and authorized the Chief Executive Officer to execute the Fourth Amendment to the District-Edison 1987 Service and Interchange Agreement, as set forth in the letter signed by the Chief Executive Officer on July 30, 2002. This amendment will designate three widely recognized and publicized energy indices as the contractual basis for valuing "Exchange Energy" between Metropolitan and

Southern California Edison Company and provide increased flexibility in Metropolitan's scheduling of economy energy.

44973 Adopted the CEQA determination and approved amendments to Metropolitan's Administrative Code and the savings plans as required by law, as set forth in the letter signed by the Chief Executive Officer on July 30, 2002, and the attachments thereto.

44974 Adopted the CEQA determination and authorized (a) an incentive of \$2,000 per unit for retrofit installation of an x-ray film processing recycling unit to hospital-scale applications; (b) an incentive of \$100 per unit for the purchase of a pressurized water broom for Commercial/Industrial/Institutional (CII) customers; (c) an incentive of \$65 per unit for the retrofit installation of evapotranspiration controllers in residential landscapes; (d) an incentive of \$80 per unit for the retrofit installation of dual-flush toilets in CII and residential dwellings; (e) the Innovative Conservation Program on a biennial basis with a proposed cost of \$250,000 per program; and (f) the Hotel/Motel/Restaurant Customer Education Card program with a proposed annual cost of up to \$75,000, as set forth in the letter signed by the Chief Executive Officer on July 30, 2002.

44975 Adopted the CEQA determination and approved the boating rules and regulations for Diamond Valley Lake and Lake Skinner, as set forth in Attachment 1 to the letter signed by the Chief Executive Officer on July 30, 2002.

44976 Adopted the CEQA determination and amended contract in the amount of \$60,000 with the law firm of Kane, Ballmer & Berkman for legal services and report on *Diamond Valley Recreation Group, LLC v. Metropolitan Water District, et al.*, Riverside County Superior Court Case No. RIC 377291, as set forth in the confidential letter signed by the General Counsel on July 29, 2002.

Director Herman requested the records show that she recused herself from voting on this item.

44977 Adopted the CEQA determination and approved amendment to professional services contract with the law firm of Duncan, Weinberg, Genzer & Pembroke in the amount of \$250,000 for electric industry restructuring legal services and other energy related matters, as set forth in the confidential letter signed by the General Counsel on July 29, 2002.

44978 Adopted the CEQA determination and approved amendment to contracts for legal services with the Law Office of Charles S. LiMandri by \$350,000, and Gibbs, Giden, Locher & Turner by \$90,000 in *Metropolitan Water District v. Hartford Fire Insurance Co.*, U.S.D.C. Case No. CV 00-1105360-GHK (Mcx), as set forth in the confidential letter signed by the General Counsel on July 29, 2002.

Director Edwards requested to be recorded as voting no.

44979 Adopted the CEQA determination and approved the recommendation in the confidential letter signed jointly by the Chief Executive Officer and the General Counsel on August 15, 2002, regarding the *Planning and Conservation League, et al. v. Department of Water Resources, et al.*, Sacramento County Superior Court Case No. 95CS03216.

44980 Budget, Finance and Investment Committee Vice Chairman Blake moved, seconded by Director Stanton and carried, that the Board adopt the CEQA determination and (a) adopt **Resolution 8824**, the Second Supplemental Resolution to Resolution 8386 as set forth in Attachment 1 to the letter signed by the Chief Executive Officer on July 30, 2002, to negotiate the sale of Waterworks General Obligation Refunding Bonds, with the supplemental resolution to expire on August 31, 2003; (b) approve General Fund Appropriation No. 15396 against which to charge expenses associated with the sale of bonds; and (c) authorize the Chief Executive officer to effect such reimbursement to the extent permitted under federal laws and regulations in accordance with instructions from bond counsel, said Resolution entitled:

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN
WATER DISTRICT OF SOUTHERN CALIFORNIA AMENDING CERTAIN
PROVISIONS OF RESOLUTION 8386 RELATING TO THE ISSUANCE OF
WATERWORKS GENERAL OBLIGATION REFUNDING BONDS (SECOND
SUPPLEMENTAL RESOLUTION)**

The Chair declared the motion carried by a unanimous vote, representing more than the required two-thirds vote.

44981 The following communications were submitted to the Board for information:

- a. Status report for the Inland Feeder Program for activities through June 2002, signed by the Chief Executive Officer on July 30, 2002.
- b. Status report on the preliminary design, right of way acquisition, and member agency coordination for the San Diego Pipeline No. 6 project, signed by the Chief Executive Officer on July 2, 2002.

Director Herman returned to the Meeting at 11:34 a.m.

44982 Chairman Pace announced that the Los Angeles Department of Water and Power had sent invitations to all Directors regarding its informational field trip of water systems facilities in the Owens Valley and the Mono Basin scheduled for October 25-27.

44983 Because of the nature of this item, Chairman Pace turned the Meeting over to Vice Chairman Luddy to preside over the consideration of Administrative Code Section 2201 regarding term limits for Board Chairman. Section 2201 provides a limit of two consecutive terms for any member holding the Office of Chair of the Board.

Director Morse moved, seconded by Director Murray, that the Board waive Administrative Code Section 2201 to allow nomination of the current Board Chairman to serve one additional two-year term.

After a lengthy discussion by Directors, Director Murray moved that the debate be closed. The motion was seconded by Director Hansen.

Vice Chairman Luddy called for a vote on the motion to close the debate.

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

Ayes: Central Basin Municipal Water District (Dir. Morse, 3,592.50 votes), Eastern Municipal Water District (Dir. Ashley, 2,599 votes), Los Angeles (Aye: Dir. Herman. Absent: Dir. Castro. 8,056.33 votes), Municipal Water District of Orange County (Dir. Owen, 5,348.50 votes), San Diego County Water Authority (Dirs. Ball, Lewis, Loveland, and Parker, 21,570 votes), West Basin Municipal Water District (Dir. Kwan, 4,281 votes). Total 45,447.33 votes.

Noes: Anaheim (Dir. Stanton, 2,510 votes), Burbank (Dir. Brown, 1,149 votes), Calleguas Municipal Water District (Dir. Grandsen, 4,993 votes), Compton (Dir. Murph, 201 votes), Foothill Municipal Water District (Dir. Edwards, 781 votes), Fullerton (Dir. Blake, 891 votes), Inland Empire Utilities Agency (Dir. Troxel, 4,441 votes), Las Virgenes Municipal Water District (Dir. Peterson, 1,182 votes), Long Beach (Dir. Hansen, 2,152 votes), Los Angeles (Dir. Dentler, 8,056.33 votes), Municipal Water District of Orange County (Dirs. Bakall, Bannister, and Foley, 16,045.50 votes), Pasadena (Dir. Brick, 1,173 votes), San Fernando (Dir. Mejia, 94 votes), San Marino (Dir. Morris, 266 votes), Santa Ana (Dir. Coughran, 1,376 votes), Three Valleys Municipal Water District (Dir. De Jesus, 3,224 votes), Torrance (Dir. Wright, 1,475 votes), Upper San Gabriel Valley Municipal Water District (Dir. Fellow, 4,564 votes), West Basin Municipal Water District (Dir. Murray, 4,281 votes), Western Municipal Water District of Riverside County (Dir. Mylne, 4,039 votes). Total 62,893.84 votes.

Abstain: Central Basin Municipal Water District (Dir. Pace 3,592.50 votes), Los Angeles (Dir. Luddy, 8,056.33 votes). Total 11,648.83 votes.

Absent: Beverly Hills (Dir. Harris, 1,241 votes), Glendale (Dir. Rez, 1,414 votes), Santa Monica (Dir. Abdo, 1,454 votes). Total 4,109 votes.

Vice Chairman Luddy declared the motion did not carry by a vote of 45,447.33 ayes, 62,893.84 noes, 11,648.83 abstain, and 4,109 absent.

After further discussion, Vice Chairman Luddy called for a vote on the original motion.

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

Ayes: Central Basin Municipal Water District (Dirs. Morse and Pace, 7,185 votes), Compton (Dir. Murph, 201 votes), Eastern Municipal Water District (Dir. Ashley, 2,599 votes), Long Beach (Dir. Hansen, 2,152 votes), Los Angeles (Ayes: Dirs. Herman and Luddy. Absent: Dir. Castro. 16,112.67 votes), Municipal Water District of Orange County (Dirs. Bakall, Bannister, Foley and Owen, 21,394 votes), San Diego (Dirs. Ball, Lewis, Loveland, and Parker, 21,570 votes), Three Valleys Municipal Water District (Dir. De Jesus, 3,224 votes), Torrance (Dir. Wright, 1,475 votes), West Basin Municipal Water District (Dirs. Kwan and Murray, 8,562 votes), Western Municipal Water District of Riverside County (Dir. Mylne, 4,039 votes). Total 88,513.67 votes.

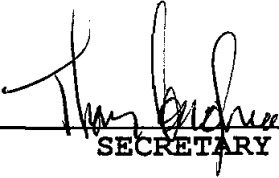
Noes: Anaheim (Dir. Stanton, 2,510 votes), Calleguas Municipal Water District (Dir. Grandsen, 4,993 votes), Foothill Municipal Water District (Dir. Edwards, 781 votes), Fullerton (Dir. Blake, 891 votes), Inland Empire Utilities Agency (Dir. Troxel, 4,441 votes), Pasadena (Dir. Brick, 1,173 votes), San Fernando (Dir. Mejia, 94 votes), San Marino (Dir. Morris, 266 votes), Santa Ana (Dir. Coughran, 1,376 votes), Upper San Gabriel Valley Municipal Water District (Dir. Fellow, 4,564 votes). Total 21,089 votes.

Abstain: Burbank (Dir. Brown, 1,149 votes), Las Virgenes Municipal Water District (Dir. Peterson, 1,182 votes), Los Angeles (Dir. Dentler, 8,056.33 votes). Total 10,387.33 votes.

Absent: Beverly Hills (Dir. Harris, 1,241 votes), Glendale (Dir. Rez, 1,414 votes), Santa Monica (Dir. Abdo, 1,454 votes). Total 4,109 votes.

Vice Chairman Luddy declared the motion carried by a vote of 88,513.67 ayes, 21,089 noes, and 10,387.33 abstain, and 4,109 absent.

44984 Chairman Pace resumed his seat; and there being no objection, the Chair adjourned the Meeting at 12:20 p.m.



SECRETARY



CHAIRMAN