

MINUTES OF THE BOARD OF DIRECTORS
ZONE 7
ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

SPECIAL MEETING
JANUARY 28, 1998

President Kalthoff called the meeting to order at 6:30 p.m., with a salute to the flag at the Zone 7 Administration Building, 5997 Parkside Drive, Pleasanton, California. The following were present:

DIRECTORS: JIM CONCANNON
SANDY FIGUERS
JOHN GRECI
STEPHEN KALTHOFF
DAVID LAYTON
JOHN MARCHAND
LYNN SPENCE

DIRECTORS ABSENT: NONE

ZONE 7 STAFF: DALE MYERS, GENERAL MANAGER
VINCE WONG, ASSISTANT GENERAL MANAGER
DENNIS GAMBS, CHIEF, WATER SUPPLY PLANNING
DAVID LUNN, CHIEF, WATER RESOURCES ENGINEERING
BARBARA MORSE, BOARD SECRETARY

COUNTY COUNSEL: BRIAN WASHINGTON, DEPUTY COUNTY COUNSEL

Item 3--Closed Session

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9: 1 case.

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At 7:12 p.m., Chairman Kalthoff convened the Board in open session.

ITEM 4-CITIZENS FORUM

Mr. Bob Cordtz, Pleasanton resident, told the Board that he believed they should be using an outside counsel rather than County Counsel. He cited conflict of interest as the reason why County Counsel should not be used.

ITEM 5--PROJECT AGREEMENTS FOR TRANSFER OF WATER ENTITLEMENTS
FROM BERRENDA MESA WATER DISTRICT FOR USE IN DOUGHERTY VALLEY

Mr. Myers made opening remarks and stated that tonight's meeting would center on the question of Zone 7 providing water service to Dougherty Valley via Dublin San Ramon Services District. Over the three years that Zone 7 has been examining this issue one of the overriding concerns was that the interests of the other retailers and the community at large be protected. As appropriate for a public agency, we have tried to take a community perspective on the impacts. He then turned the meeting over to Mr. Brian Washington, Deputy County Counsel for comments about the CEQA requirements.

Mr. Washington spoke briefly about the legal background of the CEQA resolution which was before the Board. Pursuant to CEQA, all environmental or significant environmental impacts of the project have to be mitigated to less than significant levels or the Board needs to make a finding of overriding considerations. Those overriding considerations can be economic, policy or environmental considerations. The findings before the Board tonight list the various impacts that were described in the SEIR and the Mitigation and Monitoring Plan is attached to the findings. In the Mitigation and Monitoring Plan it indicates that Zone 7 and other applicable agencies will be responsible for mitigating some of the impacts of the project. Just as a reminder, Zone 7 is only responsible for mitigating those impacts within its jurisdiction. Zone 7 is not responsible for mitigating those impacts beyond its jurisdiction. The Findings are very extensive, and they list which impacts have been mitigated to below significant levels and where Zone 7 is making a finding of overriding consideration.

Mr. Gambs then discussed the project. The five agreements needed to implement the project are:

1. Amendment No. 1 to Water Supply Contract with DSRSD
2. Berrenda Mesa Water Purchase Agreement with Berrenda Mesa Water District (BMWD)
3. Semitropic Storage Agreement with Semitropic Water Storage District
4. Amendment No. 19 to Water Supply Contract with Department of Water Resources
5. Water Service Escrow Agreement with DSRSD and BMWD

There is one update in the DWR agreement. That is regarding the future contractor share of the South Bay Aqueduct; instead of the entire amount, Zone 7 is acquiring a portion of it. The remaining portion is something DWR would like to make available to all the South Bay Contractors. We will have an opportunity to discuss that at a future date with ACWD and SCVWD. If the other two downstream SBA contractors are not interested, Zone 7 may still be able to acquire that later this year.

In June 1996 the Board gave staff five directives under the principals of full integration:

- 1) Water supply reliability and water quality should be the same or better than existing customers.

- 2) The costs of providing the water should be borne by DSRSD and its customers in Dougherty Valley.
- 3) There should be no reliance on the main groundwater basin for carry-over storage in serving Dougherty Valley.
- 4) All agreements should be in place before project implementation.
- 5) Zone 7 would only be obligated to serve Dougherty Valley with the water that is provided for that purpose.

A workshop was held on January 13, 1998 to explain how staff believes it has met those directives. At that time a background paper was provided as written documentation. Having met those directives, the Board must now determine whether the project is in the best interest of Zone 7. He then gave a brief outline of the benefits to Zone 7. In order to ensure that the water supply to existing Zone 7 customers is not diminished, that water rates are not adversely impacted, and that the reliability is not diminished, Dougherty Valley will be paying a connection fee similar to new development within Zone 7. Additionally, under these contracts Dougherty Valley will provide: 1) an additional 920 acre-feet of water; 2) 24,000 AF of storage in Semitropic WSD during six-year drought conditions; 3) the cost of the water to fill Semitropic storage; 4) cash payment for a portion of past GO bonds, 5) facility reliability cost. The total value of that is in the order of \$10,000,000. Additionally, there is an agreement that they will pay \$1,850 per connection as a facilities use payment; that will amount to an estimated \$18,000,000 over the buildout of the project.

Mr. Myers then addressed the basic issues studied during this three-year process: 1) risk, 2) growth impacts, and 3) benefits.

Risk

If we carry this project out to an extreme dry condition, there are risks that we cannot quantify at this time. What we have tried to do is identify and analyze any risks that we believe can reasonably be expected. We have either tried to put a dollar value on those or we have tried to create some security instrument by which that particular risk could be addressed. There are unknown risks way out in the future. However, in terms of water supply it is our feeling that in the event of a severe drought we may be required by the State to serve nearby communities from our groundwater basin without regard to District boundaries. We believe we have safeguards in place to address any risk to water supply from serving Dougherty Valley. The 43,000 AF of storage in Semitropic basin is significant. That means that, except in a critically dry year, Zone 7 will have more than 24,000 AF of water for existing customers that would otherwise not be available if we did not serve Dougherty Valley.

Benefits

The benefits are: cash, water supply, reliability and shared expansion costs. The addition of the approximately 9,800 homes in Dougherty Valley can theoretically provide up to a 20 percent offset to some elements of the connection fee. There are security instruments--\$5,400,000 over 15 years--in place to guarantee payments for any financial obligation Zone 7

takes on for Dougherty Valley. If for some reason the development is not built out, the financial obligations will be paid so there is no risk to Zone 7 in that regard.

One significant change since the workshop is the addition of \$18,000,000--\$1,850 per residential connection for Dougherty Valley. Using a 15-year build-out of 600 houses per year this produces approximately \$1.2 million annually for Zone 7. That represents a potential 8 percent offset to the treated water cost in Zone 7; that is significant. That money will go directly to Zone 7's capital improvement program to improve facilities and that will begin as soon as Dougherty Valley begins to acquire building permits.

Growth Impacts

When Contra Costa approved this development plan they approved these growth impacts. Water quality is an impact we have control over. Traffic, air quality, etc., those were identified and analyzed, and Contra Costa made a finding that there were overriding concerns for those significant unmitigatable conditions that would be produced by that development. Our community will experience those impacts **whether or not** we provide water service. If we do provide water service, then we have a host of benefits that we will also get. All of us have mixed feelings about this project but the fact is whenever this project begins we will all feel these impacts. If we don't provide water service, there will be no mitigation for this community.

Staff has tried to approach this with some objectivity realizing that it is very important to the community. We have taken a look at the risks, growth impacts and benefits, and we are recommending that the Board adopt both resolutions: 1) resolution complying with the CEQA process, and 2) resolution finding that it is the best interest of Zone 7 to serve water to Dougherty Valley and authorizing the President to execute the agreements.

President Kalthoff then opened the floor to comments from the public.

Mrs. Margaret Tracy, Livermore resident, had the following concerns: 1) the public review period for the contracts was too short; 2) M&I and ag water users will lose water to Dougherty Valley; 3) the 4th contractor share of the SBA will cost much more than the additional \$18 million Zone 7 will get from the developers; 4) she questioned whether this deal was in the best interest of the public and urged that the question be put to a public vote.

Mr. Tom Reitter, Livermore Vice Mayor, stated that the issues of Dougherty Valley and the Draft Water Service Expansion Policy were on the Council's agenda, and by a vote of 4-1 the Council opposed Zone 7 expanding its service area. He then read from a letter which detailed Livermore's concerns. Those concerns were:

1. Clear, detailed documentation of the benefits and risks is needed.
2. The expansion policy does not provide substantial benefits to existing customers.
3. Legality of service outside of boundaries.
4. Expansion policy may encourage development.
5. No guarantee of water for expanded agricultural use.

6. Effects of drought and the possibility that current entitlements and groundwater may have to be shared with the expanded service area.
7. Impacts to existing infrastructure.
8. Impacts of DSRSD becoming a State Water Contractor.
9. Allocation of operating costs of Semitropic WSD and Berrenda Mesa.

He urged the Board to consider regional cooperation such as was achieved with the LAVWMA pipeline. He also urged the Board to delay the vote on this proposal until more study has been done.

Mr. Bob Cordtz, Pleasanton resident, did not feel the responses given to comments on the SEIR were complete. He believed the CEQA issues will impact this area, e.g., traffic and air quality. He urged the Board to study the proposal further and ultimately to put it to a vote of the people.

Mrs. Peggy Purnell, Pleasanton resident, had the following concerns/comments: 1) the vote should be postponed because the public did not have sufficient time to review the agreements prior to the meeting; 2) Zone 7 should not be afraid of DSRSD's threat to become a State Water Contractor; 3) the extra \$18 million from the developers does not even approach the increased cost of the 4th contractor share of the SBA; 4) the basin resources and infrastructure should be protected for the current customers. She urged this matter be put to a public vote.

Mr. Don Miller, Citizens for Balanced Growth/Livermore resident, called attention to legal concerns. He cited a number of references in the District Act which he said forbid Zone 7 from selling water outside of the District. Other concerns were: 1) effects of drought on the Semitropic WSD; 2) Dougherty Valley residents will not be able to vote for representation on the Zone 7 Board; 3) the risks outweigh the benefits; \$18 million additional is not enough; 4) it is illegal to expand outside of current boundaries; 5) a 48-hour public review period for the contracts is not enough. He urged the Board to postpone the vote and study the proposal further looking for hidden traps and ambiguous language. Approval would signal a change of mission for Zone 7 and such a change should be approved by the voters.

Mr. Miller continued by saying that Contra Costa approved this project without a water supply but that is not our problem. Zone 7 does not need this project at all; only Contra Costa County and DSRSD need this development and EBMUD should provide the water. There should be no service outside boundaries, and the vote should be postponed for further study and ultimately be put to a vote of the people.

Mr. Jim Day, Livermore resident, stated that he believed Zone 7 should not be involved in land use planning in Dougherty Valley and that Zone 7 water should not be exported outside of current boundaries to non-residents. He believed the deal was misleading and that the Semitropic storage would be unreliable. There are no benefits to existing customers, and there are lots of unanswered questions about failures in the system. He believed a failure analysis should be conducted to determine what would happen during extreme conditions. He did not believe Zone 7 should be involved in anything that would mean loss of value and service to current residents. He, too, urged that the proposal be put to a public vote.

Mr. Tom Ford, Dublin resident, agreed with the points made by previous speakers. He, too, opposed the project and believed that a failure analysis should be conducted. He did not believe that the additional \$18 million represented a significant benefit but rather amounted to a loss to the community because a significant asset was being given away. Further, it sets a precedent of cross-county service. He also questioned whether the deal complied with Proposition 218 which basically says that expansions and raises in taxes must gain approval of the voters. This does not apply to water and sewer agencies unless there is an expansion, and this project clearly represents an expansion. He also echoed an earlier speaker in calling for Zone 7 to use an impartial outside legal counsel rather than County Counsel.

Mr. Ford further described the additional \$18 million which Zone 7 will receive over the buildout of the project as totally inadequate when compared to the value of the aquifer which he valued at \$2 billion. For that price, the developers are not buying into the aquifer which he described as Zone 7's insurance policy against drought.

Mrs. Carol Burella, Pleasanton resident, questioned the significant benefit of the proposed deal to current residents; a small reduction in the water rate is not enough. She also cited increased traffic and the uncertainty of what may happen during a drought as reasons to turn down the proposal.

Mr. Tom Koch, Shapell, stated he appreciated the divergent opinions expressed tonight but he had to disagree with many of them. He called attention to the previous settlement Preserve Area Ridgeland (PARC) made on the Dougherty Valley development.

Mr. Koch also pointed out: 1) Zone 7's retailers have generally supported the full integration option to serve Dougherty Valley; 2) Zone 7 is a water utility and is not a land use planning agency, and the Dougherty Valley area will grow regardless of the decision made tonight; 3) rainfall, runoff, and drainage from this area already affects the Livermore-Amador Valley; 4) the Semitropic storage eliminates the risk to Zone 7. He also called attention to the concept of nexus whereby public agencies are required to treat everyone equally--even developers. The development is required to mitigate impacts but it is not required to lower anyone's water rates. He believed the deal is a good for Zone 7, and he expressed support for the staff recommendation.

Mr. Bob Beebe, DSRSD General Manager, spoke in support of the project saying that he knew the Board and staff conducted a detailed analysis of the proposal. He believed all current customers would derive benefit from the full integration option to provide water service to Dougherty Valley.

Mr. Steve Anderson, Dublin resident, spoke in favor of the proposal to serve Dougherty Valley. He believed that the Directors were elected to study the issues and make decisions and that the issue did not need to be put on the ballot. He stated that he believes growth is inevitable and that this proposal ensures that current residents will derive some benefit from that growth.

Ms. Cynthia Patton, Tri-Valley Sierra Club and Livermore resident, made the following comments:

- 1) The Sierra Club was a party to a settlement agreement for a lawsuit against Dougherty Valley development filed against Contra Costa County. However, that settlement did not cover the issue of water transfers. She also noted that the developers are saving millions of dollars by attempting to get a water supply from Zone 7 rather than EBMUD.
- 2) The Sierra Club opposes the export and transfer of water outside of Zone 7's current boundary; there is no legal right to do so. Additionally, it would set a bad precedent; how will the Board turn down future requests, e.g., Tassajara Valley.
- 3) In order for this transfer to happen it must be proven that there is a significant benefit to all ratepayers in Zone 7's area, and evidence of this significant benefit is lacking. A 10% savings on water bills is insignificant. As for the additional water supply, it is a temporary fix when a firm, permanent source is needed.

She cited increased traffic as a major impact of the development. She added that the Sierra Club was likely to join any lawsuit filed against this decision. She, too, urged that the proposal be put to a public vote.

Mr. Dan Coleman, Windemere Partners, stated that the development will pay its own way and urged the Board to approve the proposal as recommended by staff. The Dougherty Valley area will develop and obtain water regardless of tonight's decision but he hoped that water service would be provided via Zone 7.

Mr. Stan Erikson, Pleasanton resident, spoke against approval of the development. He stated that growth is inevitable--until an area goes into decline. The question is how much growth and how fast. In speaking with residents, he believed the majority of people in this area object to the impacts of growth.

Mrs. Margaret Tracy had some specific questions related to the contracts which were answered by staff.

There being no further public comments, President Kalthoff closed the public portion of the meeting.

President Kalthoff stated that the CEQA issues would be the first to be considered.

Director Figuers moved for the approval of Resolution No. 98-1916 approving: a) Findings and Statement of Overriding Considerations, and b) Mitigation and Monitoring Plan in compliance with CEQA. The motion was seconded by Director Concannon. Discussion followed.

Director Spence stated she would vote against the motion. She felt there were impacts from this development which could not be mitigated.

Director Figuers commented that as in all issues there are two opposing views. There will never be 100 percent agreement but he felt the deal that has been negotiated is a good one.

Regarding putting the proposal to a public vote, Director Kalthoff stated that he believed Board Members were voted into office to study the issues and to make these kinds of decisions. As with all elected officials, the public has recourse.

Director Layton stated that months ago in this process he had suggested putting the proposal on the ballot. He said he never got any indication that the general public felt this should be on the ballot; he recalled he got one phone call expressing that view. Even more importantly, a public vote would not resolve the legal questions surrounding Zone 7 serving water outside of its boundaries to Dougherty Valley.

Director Greci stated he appreciated the public input heard at this meeting. However, over the time this issue was being studied, he had talked to many constituents. The majority believed that if going ahead with this proposal would mean lower water rates, then they were in favor of it. The feeling from those he talked to was that there was no time available for the average person to read all the material and do the research. He believed that the public is comfortable allowing their elected representatives to study the issues and negotiate the best deal possible for Zone 7 and its residents. He noted that a lot of time has been put on this issue both by Board and staff. He also stated that he supported County Counsel and the work that office had done for Zone 7. He noted that he is not "pro-growth" but it was clear to him that benefits exist for Zone 7 and its customers.

Director Marchand noted that the CEQA issues in the Mitigation and Monitoring Plan did not deal with the entire Dougherty Valley project but rather just the impacts to Zone 7.

There were no further comments from the Board, and Director Figuers' motion (second by Director Concannon) to approve Resolution No. 98-1916 approving: a) Findings and Statement of Overriding Considerations, and b) Mitigation and Monitoring Plan in compliance with CEQA was then voted upon. It passed by a roll call vote of 6-1. Director Spence voted no.

President Kalthoff then stated that the next issue to be taken up was the five agreements themselves.

Director Figuers moved for the adoption of Resolution No. 98-1917 finding that it was in the best interest of Zone 7 to serve Dougherty Valley and authorizing the President of the Board to execute the five agreements effecting the water transfer. The motion was seconded by Director Greci. Discussion followed.

Director Spence stated that she believed the conditions of the proposal to serve Dougherty Valley had improved in recent weeks, and that she preferred full integration over DSRSD becoming a State Water Contractor. However, she felt there should be more benefits to Zone 7 before she could vote for the proposal. Specifically, the following issues concerned her:

- 1) The proposal seems to benefit Zone 7 more as a business than the residents of Zone 7.
- 2) The non-voting status of Dougherty Valley residents.

- 3) Risks which have not been given thorough study, e.g., South Bay Aqueduct failure.
- 4) This issue has been taking up a tremendous amount of staff and Board time; other important work has been put on hold.
- 5) She agreed with Mr. Erikson's remarks, and she felt that having a delay until the ultimate time of max buildout before we begin decline is preferable over starting this development this year.

President Kalthoff stated he agreed with Director Spence's analysis of this being looked at from a business standpoint. However, this is a public agency--supported by taxpayers and ratepayers--so what benefits the agency does also benefit the public.

Director Spence noted that her remark about benefits to Zone 7 as a business referred to becoming a bigger agency with a larger budget and more employees.

Director Figuers emphasized that Zone 7 will be impacted by development in the Dougherty Valley even if we don't provide water service. He called attention to a possible disaster scenario under which Zone 7 may be required to provide water service to Dougherty Valley even if EBMUD were to be the primary supplier.

Discussion then took place on agreements which are already in place whereby water districts will share resources in times of disaster or emergency situations.

Director Layton stated that he was Chair of the Board's Water Committee and as such had spent many hours studying this proposal. He stated that he approached this project with suspicion and never viewed it as a done deal.

He stated that his initial frustration stemmed from a presentation he made at a joint meeting of the Contra Costa Board of Supervisors and the EBMUD Board. Zone 7 had been identified along with DSRSD as potential water sources for Dougherty Valley. Prior to that the Zone 7 Board had not even been approached about that. He noted that as he proceeded the best interests of Zone 7 were always first and foremost in his mind. Some of his particular concerns were:

Out-of-valley storage. To satisfy his concern that the Dougherty Valley development would not represent a threat to our groundwater basin, he stated that he toured the Semitropic Water Storage District in Wasco to see their facilities and gain an understanding of how they operated their basin. He believed that from a hydrologic standpoint the out-of-valley storage was critical to backup the project.

Legal concerns. Director Layton stated that interpretation of the District Act and the legality of providing water service to the development was his main concern. He noted that his specific concerns dealt with wording in the District Act which forbids export of water outside of Zone 7 boundaries. From a net benefit standpoint he believed full integration was the best option; however, he continued to be skeptical of the legality of the full integration option. As a compromise, wording was included in Amendment No. 1 to the DSRSD contract which identified an alternative delivery method should a court determine that Zone 7 cannot participate in a water delivery to the Dougherty Valley. If that happens, the parties will

negotiate a contract pursuant to which Zone 7 will convey to DSRSD for service in Dougherty Valley.

Other concerns which have been satisfied through contract language:

- a) DSRSD will remain in Zone 7 for the remaining 30 years of their contract.
- b) DSRSD cannot put water into the main groundwater basin unless approved by Zone 7.

These are the kinds of protections which were put into the contract which he believed would benefit the public.

He stated that at the January 13 meeting he was not in favor of the contracts but continued negotiations since that time have brought him to the point where he believes there are significant benefits to Zone 7. However, he believed the contracts should be litigated. We have to know for sure whether or not our actions are correct. He noted he would be voting for this proposal with the hope that it will be litigated.

Mr. Washington stated that County Counsel believes the contracts are legal as is.

Director Layton continued by saying that if the project goes ahead there are now significant benefits to Zone 7. Negotiations between the developers (Shapell and Windemere), DSRSD and Zone 7 after the January 13 meeting produced the following benefit to Zone 7: a Facility Impact Fee, which is a buy-in cost of \$1,850/per house for the use of our facilities, will amount to an additional \$18,000,000.

In closing, Director Layton stated that we know Dougherty Valley development will occur and Zone 7 will have impacts whether or not we serve water. If we can work out a deal which offers significant benefit to Zone 7 and our residents, why would we turn our back? If we don't serve water, we will be impacted by the development but have no benefits. He stated that he would vote in favor of the agreements to move ahead to the next stage which he hoped would be litigation in order to clarify the legal issues.

Director Concannon stated that he believed the negotiations held since the January 13 meeting had produced amazing results. He believed that significant benefits now existed for Zone 7 and its customers, and therefore, he would be voting in favor of the proposal.

President Kalthoff stated that he too was apprehensive after the January 13 meeting. However, he was reassured by the results of the subsequent meeting with developers and DSRSD. He believed the proposal was good financially for Zone 7, and the \$30,000,000 in cash was a very real benefit. He also believed the Zone is protected legally. He would support the motion.

Director Marchand asked how this might relate to Proposition 218, an issue raised by one of the speakers.

Mr. Washington advised that Prop 218 may apply to some of the fees DSRSD may be imposing on development in Dougherty Valley. However, the fees and payments Zone 7

would be receiving from DSRSD pursuant to the agreements are the result of mutual agreement between DSRSD and Zone 7 and, as such, are not affected by Prop 218.

Director Marchand stated that he has opposed this project from the beginning.

- 1) He believed it was irresponsible for Contra Costa County to approve a development without a water supply.
- 2) He was on record as opposing transfer of water outside of Zone 7 boundaries.
- 3) He was also turned against the project by threats against Zone 7's position as the only State Water Contractor in the Livermore-Amador Valley.
- 4) He shared the concerns which expressed about traffic impacts from the development. However, it is obvious that development will occur, and we in this area will be stuck with the traffic.

He has been told that long time supporters will vote against anyone who votes to serve Dougherty Valley. According to the District Act, Directors are charged to protecting the best interests of the residents of Zone 7. Therefore, it would be easy to make a purely political and politically safe vote against this project. He noted that personally and politically he wanted to vote against this project. But he believed to vote against full integration would be voting against the best interests of the residents of Zone 7. Until recent weeks, there were not enough guarantees that Zone 7 would remain whole and that it would be able to maintain its current reliability, and there were no substantial benefits to residents of the Zone. Due to recent eleventh hour negotiations by Directors Kalthoff and Layton, he believed there were sufficient guarantees including almost a million dollars in perpetual water entitlements which are surplus to that which is being provided by Dougherty Valley developers. We will be increasing our available groundwater storage by over 40 percent, and will be receiving \$18,000,000 in facility impact fees. It will facilitate the purchase of the fourth contractor share of the South Bay Aqueduct which will enable us to ensure the viability of the South Livermore Plan which is critical to the quality of life in this area.

Director Marchand stated he also did not want to vote in favor of this project because to do so would validate the poor planning of Contra Costa County. On the other hand he couldn't vote against it because after painstaking study he believed that now the project option is in the best interests of the residents of Zone 7. So it is to the residents of Zone 7 and not to political expedience that his responsibility and integrity lie.

Director Figuers motion (second by Director Greci) to adopt Resolution No. 98-1917 finding that it was in the best interest of Zone 7 to serve Dougherty Valley and authorizing the President of the Board to execute the five agreements effecting the water transfer was then voted upon. The motion passed by a roll call vote of 6-1. Director Spence voted no.

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The next regular meeting will be February 18, 1998.

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There being no further business, President Kalthoff adjourned the meeting at 10:00 p.m.