

**MINUTES**  
**SPECIAL MEETING OF THE**  
**BOARD OF DIRECTORS**  
**THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**  
**OCTOBER 22, 2002**

**45048** The Board of Directors of The Metropolitan Water District of Southern California met in Special 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, October 22, 2002.

The Meeting was called to order by Chairman Pace at 1:31 p.m.

**45049** In the absence of Board Secretary Coughran, Chairman Pace designated Vice President & Board Executive Officer Ivey as Secretary Pro Tem.

**45050** Secretary Pro Tem Ivey called the roll. Those answering present were: Directors Ashley, Bakall, Bannister, Blake, Brick, Brown, De Jesus, Edwards, Foley, Grandson, Loveland, Luddy, Morris, Morse, Murray, Mylne, Owen, Pace, Parker, Peterson, and Stanton.

Those not answering were: Directors Abdo, Ball, Castro, Coughran, Dentler, Fellow, Harris, Hansen, Herman, Kwan (entered 2:04 p.m.), Lewis, Mejia, Murph, Rez, Troxel, and Wright (entered 1:40 p.m.).

The Chair declared a quorum present.

**45051** The Chair announced that this is a Special Meeting of the Board and discussion, comments, and actions are necessarily confined to the items listed on the Board agenda.

**45052** Chairman Pace invited members of the public to address the Board on matters within the Board's jurisdiction. No member of the public responded.

**45053** General Counsel Kightlinger stated that a part of the discussion and presentation on the Palo Verde Irrigation District (PVID) Land Management, Crop Rotation and Water Supply Program would be held in open session, and requested that the Board go into closed session to discuss some of the legal aspects of the contract and the negotiations.

Director Ashley requested that the records show that he did not participate in the discussion and consideration of Agenda Item 5-1, the Palo Verde Irrigation District Land Management, Crop Rotation and Water Supply Program.

Director Ashley withdrew from the Meeting at 1:34 p.m.

Chief Executive Officer Gastelum acknowledged Fadi Kamand of the staff for his tireless work on this program, and Robert Schempp, retired staff member who worked on the first PVID agreement.

Vice President of Colorado River Resources Underwood also thanked Messrs. Kamand and Schempp and Delaine Shane for their extensive work in bringing this program to a final stage. With the aid of slides, Mr. Underwood summarized the details of the program.

Director Wright took his seat at 1:40 p.m.

**45054** At 1:42 p.m., the Chair called the Meeting into closed session pursuant to Government Code Section 54956.8 to (1) discuss the agreements for the Palo Verde Irrigation District Land Management, Crop Rotation and Water Supply Program and community improvement programs, and (2) receive a report on the Quantification Settlement Agreement negotiations.

Director Kwan took her seat at 2:04 p.m.

At 2:25 p.m., the Chair called the Meeting into open session.

**45055** Director Blake moved, seconded by Director Edwards and carried, that the Board adopt the California Environmental Quality Act determination and authorize the Chief Executive Officer to enter into (1) a Land Management, Crop Rotation and Water Supply Program agreement with Palo Verde Irrigation District (PVID) and conforming agreements with individual participating PVID landowners based on the contractual principles set forth in the letter signed by the Chief Executive Officer on October 17, 2002, all in form approved by the General Counsel; and (2) agreement(s) with other Program-related entities including a non-profit foundation as described in the foregoing letter relating to the community improvement programs funding, all in form approved by the General Counsel.

**45056** Regarding the Quantification Settlement Agreement (QSA) negotiations, Vice Chairman Foley moved, seconded by Director Murray, that Metropolitan be on record as supporting completion of the QSA by the end of this year and that Metropolitan ratify the negotiated changes to the QSA as expressed in the "Summary Term Sheet -- Principal QSA Revisions" dated October 15, 2002.

Following a question and answer session, the Chair called for a vote on the motion.

Director Ashley returned to the Meeting at 2:30 p.m.

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

Ayes: Anaheim (Dir. Stanton, 2,159 votes), Burbank (Dir. Brown, 1,149 votes), Calleguas Municipal Water District (Dir. Grandsen, 4,611 votes), Central Basin Municipal Water District (Dirs. Morse and Pace, 7,185 votes), Eastern Municipal Water District (Dir. Ashley, 2,314 votes), Foothill Municipal Water District (Dir. Edwards, 781 votes), Fullerton (Dir. Blake, 891 votes), Las Virgenes Municipal Water District (Dir. Peterson, 1,182 votes), Los Angeles (Ayes: Dir. Luddy. Absent: Dirs. Castro, Dentler, and Herman. 24,169 votes), Municipal Water District of Orange County (Dirs. Bakall, Bannister, Foley and Owen, 21,394 votes), San Diego (Ayes: Dirs. Loveland and Parker. Absent: Dirs. Ball and Lewis. 21,570 votes), San Marino (Dir. Morris, 266 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 105,989 votes.

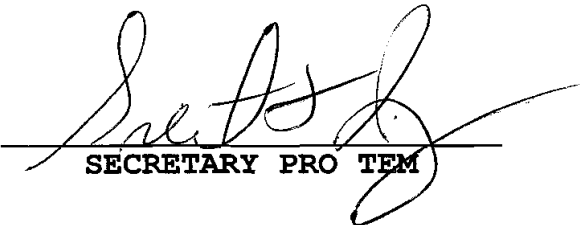
No: Pasadena (Dir. Brick, 1,173 votes). Total 1,173 votes.

Abstain: None.

Absent: Beverly Hills (Dir. Harris, 1,241 votes), Compton (Dir. Murph, 201 votes), Glendale (Dir. Rez, 1,414 votes), Inland Empire Utilities Agency (Dir. Troxel, 4,441 votes), Long Beach (Dir. Hansen, 2,152 votes), San Fernando (Dir. Mejia, 94 votes), Santa Ana (Dir. Coughran, 1,376 votes), Santa Monica (Dir. Abdo, 1,454 votes), Upper San Gabriel Valley Municipal Water District (Dir. Fellow, 4,564 votes). Total 16,937 votes.

The Chair declared the motion carried by a vote of 105,989 ayes, 1,173 noes, and 16,937 absent.

**45057** There being no objection, the Chair adjourned the Meeting at 2:32 p.m.

  
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**SECRETARY PRO TEM**

  
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**CHAIRMAN**