

MINUTES
REGULAR MEETING OF THE
BOARD OF DIRECTORS
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
JUNE 13, 2006

46678 The Board of Directors of The Metropolitan Water District of Southern California met in 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, June 13, 2006.

Chairman Bannister called the Meeting to order at 11:07 a.m.

46679 The Meeting was opened with an invocation by Alberto G. Alvarado, Los Angeles Director for the United States Small Business Administration.

46680 The Pledge of Allegiance to the Flag was given, led by Director Aaron A. Grunfeld.

46681 Board Secretary Hansen called the roll. Those answering present were: Directors Abdo, Apodaca, Bakall, Bannister, Blake, Brick, Brown, De Jesus, Dick, J. Edwards, M. Edwards, Fellow, Foley, Grandsen, Griset, Grunfeld, Hansen, Harris, Koopman, Kwan, Lewis, J. Murray, W. Murray, Mylne, Pace, Parker, Peterson, Pocklington, Record, Rez, Sutley, and Wright.

Those not answering were: Directors Hall, Loveland, Morris, Quiñonez, and Veres.

Chairman Bannister declared a quorum present.

46682 Chairman Bannister invited members of the public to address the Board on matters within the Board's jurisdiction.

William Seelig, president of Institute of Human Engineering Sciences, commented on technological capabilities of introducing oxygen into small lakes; and he urged the staff to look into that technology when they are considering what to do with Lake Perris.

Chairman Bannister commented on the Solar Cup competition held May 19-21, 2006 at Lake Skinner, and introduced the first and second winning team members, Diamond Bar High School and Chino Hills High School, respectively. (The third-place team, Charter Oak High School of Covina, was not able to attend due to taking final exams today.) The Chair recognized the member agencies that sponsored the various teams. A video was played showing clips of the Solar Cup event.

Director Wright gave a report on the Baja California Inspection Trip, which he, Directors De Jesus, Pocklington, and Record participated in on June 6-8, 2006. The purpose of the trip was to provide first-hand knowledge of water issues in Mexico that impact the United States.

46683 There being no objection, Chairman Bannister ordered the reading of the Minutes of the Meetings of May 9 and 16, 2006, dispensed with, copies having been mailed to each Director.

Director Blake moved, seconded by Director J. Edwards and carried, approving the foregoing Minutes as mailed.

46684 A written report of meetings attended by Directors at Metropolitan expense during the month of May was distributed. The following Directors reported on events they attended:

Director Record: May 15-18 - Trip to Washington, D.C. with the Greater Los Angeles Chamber of Commerce

Director Foley: June 3 - Along with Directors Peterson, Record, and Wright attended the memorial service in Calipatria for Lloyd Allen, former board member of the Imperial Irrigation District and board chairman of the Colorado River Board

Director W. Murray: May 31-June 2 - Urban Water Institute Conference in Long Beach

Director Peterson: June 2 - ACWA board meeting in Sacramento

Director Griset: May 31-June 2 - Urban Water Institute Conference in Long Beach

46685 Chairman Bannister presented to Director Abdo a ten-year service pin for her service as a Director on Metropolitan's Board representing the City of Santa Monica.

46686 Board Secretary Hansen moved, seconded by Director Blake and carried, approving sixty-day leaves of absence for:
Director John T. Morris, commencing June 13, 2006
Director Betty Harris, commencing June 23, 2006
Director Anthony R. Fellow, commencing July 4, 2006

46687 The Chair announced that Item 5E regarding committee assignments would be taken up later on the agenda.

46688 Chairman Bannister reported on events in which he participated since the last Board Meeting, as follows:

- May 19 - Guest speaker at the El Toro Water District anniversary at the Laguna Hills Holiday Inn.

46689 The Chair announced that Item 5G regarding labor negotiations would be taken up at the end of the agenda.

46690 Regarding Colorado River, Bay-Delta, and CALFED matters, General Manager Kightlinger referred to the activity report for May dated May 31, 2006, which was distributed earlier.

General Manager Kightlinger stated on June 2 he, Director Record, and other members of staff attended the Valley-Wide Recreation and Park District's dedication of the Regional Aquatic Facility. Also on June 7 there was a signing ceremony for the final phase of the closing of the San Jacinto tunnel litigation, which was settled with the Soboba Tribe, Eastern Municipal Water District, Metropolitan, and Lake Hemet Municipal Water District. Mr. Kightlinger commented that that final

closing was the last bit of litigation stemming from Metropolitan's building of the San Jacinto tunnel some 75 years ago.

General Manager Kightlinger reported on two press reports published; one on June 11 in the *Los Angeles Times* on water conservation activities, and the other on June 9 in the *Daily News* on an agreement among Metropolitan, Los Angeles Department of Water and Power, California Department of Water Resources, and Antelope Valley-East Kern Water Agency. Mr. Kightlinger stated that this agreement was discussed at yesterday's Water Planning, Quality and Resources Committee meeting, and has been referred back to that committee for a follow-up report by staff next month.

Director Parker referred to his letter dated June 13, 2006, from the San Diego County Water Authority regarding the agreement with the City of Los Angeles and other stakeholders.

46691 Regarding Legal Department activities, Interim General Counsel Bennion referred to the General Counsel's activity report for May dated May 31, 2006, which was distributed earlier.

Interim General Counsel Bennion gave an update on the *Carlita Villanueva v. Metropolitan* suit, which was filed by an employee against Metropolitan and an individual Metropolitan manager for discrimination and retaliation. The trial in this matter started in September and testimony stopped and started a number of times and was finally concluded last month. Ms. Bennion stated that once the trial transcripts have been received, closing briefs will be submitted to the court and then a judgment is expected in the main part of this case. Ms. Bennion continued that judgment has already been rendered in favor of the individual Metropolitan manager, with the court finding that the plaintiff's claim against the manager was without foundation, unreasonable and frivolous and awarded the manager attorney's fees of \$110,000 and costs of \$7,000. This total amount of \$117,000 is due Metropolitan since Metropolitan paid for the defense of the manager. Interim General Counsel Bennion stated that the significance of this case is not the money but the message that frivolous claims against Metropolitan can have consequences, and that she wanted to bring this very unusual result to the Board's attention. Ms. Bennion congratulated the team that worked on this litigation.

46692 General Auditor Riss presented a report of the Audit Department's activities for the month of May, dated May 31, 2006. He stated that one comfort letter and five Audit Reports were issued during the month. Specifically he noted that the Official Statement for the Water Revenue Refunding Bonds, 2006 Series A-1 and A-2 Review; Brutoco Engineering & Construction, Incorporated Audit Report; Camp, Dresser & McKee Engineers Audit Report; Employee & Director Expense Audit Report; Proposition 13 Conjunctive Use Programs Audit Report; and Tuition Reimbursement Program Audit Report were issued during the month. Mr. Riss stated that the review of the Official Statement for the Bonds was completed with no exceptions noted. He then remarked that four of the reports were issued with satisfactory opinions, and the tuition reimbursement report with a generally satisfactory opinion.

46693 Ethics Officer Elliott referred to the activity report for May dated May 31, 2006, which was distributed earlier.

Dr. Elliott announced that for the Ethics Education Program, the final AB 1234 seminar for the year for Directors and officers will be held in September. Dr. Elliott reported that Ethics Educator Jeff Cable is scheduling visits at all of Metropolitan's facilities, including Sacramento, to do follow-up presentations on the Ethics Office and program. Dr. Elliott stated that the Ethics Office now has a regular monthly column in the *People Interactive* magazine called "Eye on Ethics", and that there is an ethics special connection now in the sixth floor library here at Headquarters for use by Directors and employees. The holdings of ethics books, journals, monographs, CDs and videos are now included in the reference section on the Intramet; and the list of the holdings will be posted on the Directors' Web site. Dr. Elliott then reported that the employees' ethics manual is in draft form and will be reviewed by members of the Ethics Outreach Committee over the next few weeks and should be ready for distribution next month.

46694 Director Blake moved, seconded by Director J. Edwards and carried unanimously, approving the General Manager's Business Plan for fiscal year 2006/07, signed by the General Manager on June 7, 2006.

46695 Chairman Bannister announced that Agenda Item 8-11 was withdrawn, and he requested that Agenda Item 7-5 be taken off

the Consent Calendar. The following Agenda Items were requested to be added to the Consent Calendar: Director Mylne, Items 8-5 through 8-7 (Item 8-5 subsequently withdrawn from the Consent Calendar); Director De Jesus, Items 8-8 through 8-10; Director Koopman, Items 8-2 and 8-3.

Director Blake moved, seconded by Director J. Edwards and carried, and the Board approved the Consent Calendar Items, **M.I. 46696** through **M.I. 46706**, as follows:

46696 Adopted the California Environmental Quality Act (CEQA) determination and (a) granted conditional approval for the 95th Fringe Area Annexation concurrently to Eastern Municipal Water District and Metropolitan, conditioned upon receipt in full of an annexation fee of \$39,842.20 to Metropolitan if completed by December 31, 2006, or if completed later, at the then-current annexation charge rate; (b) approved Eastern's Statement of Compliance with the current Water Use Efficiency Guidelines; and (c) adopted the resolution of intention (**Resolution 9002**) to impose water standby charge within the proposed annexation territory, substantially in the form of Attachment 3 to the letter signed by Assistant General Manager Man for the General Manager on May 17, 2006, 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-95TH FRINGE AREA

46697 Adopted the CEQA determination and authorized the General Counsel to increase the maximum amount payable under the contract with Keyser Marston Associates, Inc. by \$250,000, and increase the maximum amount payable under contract with Richards, Watson & Gershon by \$150,000 for services related to negotiations for the Diamond Valley Recreation and Land Development Project, as set forth in the letter jointly signed by the Interim General Counsel and Assistant General Manager Man for the General Manager on May 17, 2006.

46698 Adopted the CEQA determination and approved up to \$1.125 million to renew or replace the Aircraft Liability, Crime, Excess General Liability policies, and Excess Workers' Compensation policy and retain the \$5 million self-insured retention for the excess Workers' Compensation coverage, as set

forth in the letter signed by the General Manager on May 26, 2006.

46699 Adopted the CEQA determination and approved the semiannually recommended Community Partnering Program sponsorships for fiscal year 2005/06, for discretionary community activities as listed in Attachment 1 to the letter signed by the General Manager on May 26, 2006.

46700 Adopted the CEQA determination and approved (a) the re-delegation of authority to the Treasurer to make investments on behalf of Metropolitan; and (b) the Statement of Investment Policy, as set forth in the letter signed by the General Manager on May 26, 2006.

46701 Adopted the CEQA determination and (a) approved the Fiscal Year 2006/07 Annual Budget; (b) appropriated \$832.2 million for the projected annual cash outlays for Metropolitan O&M and operating equipment, power costs on the Colorado River Aqueduct, SWP operations, maintenance, power and replacement costs and SWP capital charges; demand management programs including the local resources and conservation credits program; and costs associated with supply programs paid from the Water Transfer Fund; (c) appropriated as continuing appropriations, \$251.3 million for 2006/07 debt service on Metropolitan general obligation and revenue bonds; (d) authorized the use of \$95 million in operating revenues to fund Replacement and Refurbishment and General Fund construction; and (e) appropriated \$53.6 million for increases in fiscal year 2005/06 expenditures for Metropolitan O&M, SWP power costs, and costs associated with supply programs, as set forth in the letter signed by the General Manager on May 30, 2006.

46702 Adopted the CEQA determination and authorized an increase of \$8.9 million to the existing agreement with Hatch Mott Macdonald, for a new not-to-exceed total of \$20.9 million for construction management services for the Arrowhead Tunnels of the Inland Feeder Program, as set forth in the letter signed by the General Manager on May 30, 2006.

46703 Adopted the CEQA determination and (a) appropriated \$5.6 million (Appropriation No. 15433 from the Revenue Bonds, Replacement and Refurbishment or General Funds) for the Minor Capital Projects Program for fiscal year 2006/07 for projects costing less than \$250,000; (b) authorized the General Manager to initiate capital projects costing less than \$250,000 and perform all work including the preparation of necessary environmental documentation; and (c) designated the General Manager as the decision-making body for purposes of reviewing, approving, and certifying any environmental documentation that may be required for such projects, as set forth in the letter signed by the General Manager on May 26, 2006.

46704 Adopted the CEQA determination and authorized the amendment of the contract with Cox, Castle & Nicholson to increase the maximum payable by \$100,000 to \$350,000 for *Metropolitan Water District of Southern California v. Campus Crusade for Christ*, SBSC Case No. SCV 35498, Supreme Court Case No. S141148, as set forth in the letter signed by the Interim General Counsel on May 19, 2006.

46705 Adopted the CEQA determination and authorized the amendment of the contract with outside counsel Jones Day by \$75,000 to an amount not to exceed \$475,000 for assistance related to the Arrowhead Tunnels construction within the Inland Feeder Program, as set forth in the confidential letter signed by the Interim General Counsel on May 30, 2006.

46706 Adopted the CEQA determination and authorized an increase of \$50,000 in maximum amount payable under contract with Sheppard, Mullin, Richter & Hampton LLP for legal services to defend Metropolitan in *Carole King v. Metropolitan, et al.*, LASC Case No. BC 336605, as set forth in the confidential letter signed by the Interim General Counsel on June 5, 2006, and approved a proposed settlement.

46707 Director Bakall moved, seconded by Director Blake and unanimously carried, requiring more than a two-thirds vote, and the Board adopted the CEQA determination and authorized the General Manager to make payment of \$1,597,453 to the State Water Contractors, Inc. in July 2006, as set forth in the letter signed by the General Manager on May 26, 2006.

46708 In reference to the Central Pool Augmentation Program, Director Koopman asked if there is some ability for Metropolitan to be reimbursed for the cost of doing this work and also why time is of the essence.

General Manager Kightlinger replied that there were three options presented to the Board, and the option recommended from the committee was staff's recommendation to go forward and expend Metropolitan's funds for geotechnical, environmental and siting studies, and staff would seek reimbursement later from the transportation agencies. The second option was to defer all action at this time and try to work through the transportation agencies to ensure Metropolitan would be reimbursed, but that would probably delay the project for some period of time, possibly up to a year. The third option was not to take any action. The committee voted to approve Option 1.

Director Sutley also inquired about the timing of action on this item now and the costs and expenditure for the studies. Assistant General Manager Man replied that in the Integrated Area Studies all the member agencies are working collaboratively to look at future projects for the Central Pool, which includes Los Angeles, Orange County, and Ventura County. These studies are based on assessments of supply and demand, but also based on understanding the future facility timing as well as the costs involved in these options. Assistant General Manager Man further stated that it was very important to establish the cost of infrastructure improvements, and it is on that basis that Metropolitan can determine the feasibility, cost-effectiveness, and ease of implementation for the alternatives. That would give us a good idea which alternatives are the most feasible for Metropolitan to implement over the next 25 years.

Engineering and Operations Committee Chairman Mylne therefore moved, seconded by Director Blake and carried, that the Board adopt the CEQA determination and (a) appropriate \$4.95 million in budgeted funds (Appropriation No. 15119, No. 8, from Revenue Bonds, Replacement and Refurbishment or General Funds); and authorize (b) geotechnical, environmental, and siting studies for the Central Pool Augmentation (CPA) Program; (c) an agreement with Kleinfelder, Inc. for geotechnical investigations in an amount not to exceed \$2.9 million; (d) an agreement with GeoPentech, Inc. for geotechnical investigations in an amount not to exceed \$0.9 million; and (e) a Collection

Agreement with the United States Forest Service in an amount not to exceed \$0.75 million for preparing and administering permits for the CPA tunnel, as set forth in the letter signed by the General Manager on May 30, 2006.

Directors Grunfeld, Hansen, J. Murray, Koopman, and Sutley requested to be recorded as voting no.

46709 Communications and Legislation Committee Chair Fellow reported that the committee took no action on Agenda Item 8-12 to express support for AB 1881 (Laird, D-Santa Cruz) on landscape water use efficiency, which would enact recommendations from the AB 2717 task force, including landscape meters, water budgets, and irrigation controls. Committee Chair Fellow stated that action on this item should be taken up by the full Board.

Communications and Legislation Committee Vice Chair Griset then moved, seconded by Director Sutley, that the Board adopt the CEQA determination and express a position of support on AB 1881 (Laird, D-Santa Cruz) regarding landscape water use efficiency, as set forth in the letter signed by the General Manager on June 7, 2006.

A discussion ensued regarding the effects of this bill as more government regulations, restrictions on local communities, the emphasis on conservation, and increasing water use efficiency.

Director Blake withdrew from the Meeting at 12:02 p.m.

Director W. Murray called for the question. Vice Chairman Grandsen seconded the motion.

The Chair called for a vote on the motion calling for the question.

The following is a record of the vote:

Ayes: Anaheim (Dir. M. Edwards, 2,822 votes), Calleguas Municipal Water District (Dir. Grandsen, 6,534 votes), Glendale (Dir. Rez, 1,772 votes), Municipal Water District of Orange County (Dirs. Bannister and Foley, 13,872 votes), Pasadena (Dir. Brick, 1,524 votes), Santa Monica (Dir. Abdo, 1,802 votes), Upper San Gabriel Valley Municipal Water District,

Dir. Fellow, 5,732 votes), West Basin Municipal Water District (Dirs. Kwan and W. Murray, 10,680 votes). Total 44,738 votes.

Noes: Beverly Hills (Dir. Harris, 1,534 votes), Burbank (Dir. Brown, 1,402 votes), Central Basin Municipal Water District (Dirs. Apodaca and Pace, 8,874 votes), Eastern Municipal Water District (Dir. Record, 4,522 votes), Foothill Municipal Water District (Dir. J. Edwards, 1,003 votes), Inland Empire Utilities Agency (Dir. Koopman, 6,104 votes), Las Virgenes Municipal Water District (Dir. Peterson, 1,523 votes), Long Beach (Dir. Hansen, 2,963 votes), Los Angeles (Noes: Dirs. Grunfeld, J. Murray, and Sutley. Absent: Dir. Quiñonez. 30,839 votes), Municipal Water District of Orange County (Dirs. Bakall and Dick, 13,872 votes), San Diego County Water Authority (Noes: Dirs. Lewis, Parker, and Pocklington. Absent: Dir. Loveland. 29,821 votes), Santa Ana (Dir. Griset, 1,722 votes), Torrance (Dir. Wright, 1,776 votes), Western Municipal Water District of Riverside County (Dir. Mylne, 5,911 votes). Total 111,866 votes.

Abstain: Three Valleys Municipal Water District (Dir. De Jesus, 4,020 votes). Total 4,020 votes.

Absent: Compton (Dir. Hall, 259 votes), Fullerton (Dir. Blake, 1,193 votes), San Fernando (Dir. Veres, 119 votes), San Marino (Dir. Morris, 328 votes). Total 1,899 votes.

The Chair declared the motion failed by a vote of 44,738 ayes, 111,866 noes, 4,020 abstain, and 1,899 absent.

Director Kwan withdrew from the Meeting at 12:06 p.m.

Director Blake returned to the Meeting at 12:06 p.m.

The Chair called for a vote on the motion to express a position of support on AB 1881.

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

Ayes: Eastern Municipal Water District (Dir. Record, 4,522 votes), Glendale (Dir. Rez, 1,772 votes), Las Virgenes Municipal Water District (Dir. Peterson, 1,523 votes), Los Angeles (Ayes: Dirs. Grunfeld, J. Murray, and Sutley. Absent: Dir. Quiñonez. 30,839 votes), Pasadena (Dir. Brick, 1,524 votes), San Diego County Water Authority (Ayes: Dirs. Lewis,

Parker, and Pocklington. Absent: Dir. Loveland. 29,821 votes), Santa Ana (Dir. Griset, 1,722 votes), Santa Monica (Dir. Abdo, 1,802 votes), Torrance (Dir. Wright, 1,776 votes), Upper San Gabriel Valley Municipal Water District (Dir. Fellow, 5,732 votes), West Basin Municipal Water District (Aye: Dir. W. Murray. Absent: Dir. Kwan. 10,680 votes). Total 91,713 votes.

Noes: Anaheim (Dir. M. Edwards, 2,822 votes), Beverly Hills (Dir. Harris, 1,534 votes), Burbank (Dir. Brown, 1,402 votes), Calleguas Municipal Water District (Dir. Grandson, 6,534 votes), Central Basin Municipal Water District (Dirs. Apodaca and Pace, 8,874 votes), Foothill Municipal Water District (Dir. J. Edwards, 1,003 votes), Fullerton (Dir. Blake, 1,193 votes), Inland Empire Utilities Agency (Dir. Koopman, 6,104 votes), Long Beach (Dir. Hansen, 2,963 votes), Municipal Water District of Orange County (Dirs. Bakall, Bannister, and Dick, 20,808 votes), Three Valleys Municipal Water District (Dir. De Jesus, 4,020 votes), Western Municipal Water District of Riverside County (Dir. Mylne, 5,911 votes). Total 63,168 votes.

Abstain: Municipal Water District of Orange County (Dir. Foley, 6,936 votes). Total 6,936 votes.

Absent: Compton (Dir. Hall, 259 votes), San Fernando (Dir. Veres, 119 votes), San Marino (Dir. Morris, 328 votes). Total 706 votes.

The Chair declared the motion carried by a vote of 91,713 ayes, 63,168 noes, 6,936 abstain, and 706 absent.

46710 Recreation Committee Chairman Record reported that at its meeting on May 23, 2006, the committee unanimously approved an amended motion for the Diamond Valley Lake appropriation, to include final design for the East Marina utilities, the Marina dock facilities and wave attenuator, and amendments to three agreements. The committee also recommended allocating \$1.61 million in previously appropriated, budgeted funds for total approved expenditures of \$69.76 million.

Committee Chairman Record stated that since the committee meeting, staff has requested that only subsection (e) of the recommendation move forward at this time so that staff can fully address questions raised at the meeting, and that

staff will return with recommendations for the remaining work on the marina in the near future.

Committee Chairman Record then moved, seconded by Director Bakall and carried, that the Board adopt the CEQA determination and authorize an amendment to Agreement No. 56013 with Riverside County Sheriff Law Enforcement to increase the maximum amount payable to \$300,000 per year to provide law enforcement services at Diamond Valley Lake, for up to five years, as set forth in the revised letter signed by the General Manager on May 26, 2006.

Asset and Real Property Committee Chairman Pace reminded the Board of the Diamond Valley Lake inspection trip on Friday, June 16, to view the progress of The Center for Water Education; and the Center's fundraising auction on June 23, 2006, and invited Directors to participate.

Director Kwan returned to the Meeting at 12:16 p.m.

46711 Regarding the new committee structure, Chairman Bannister stated that the Executive Committee requested that the number of committees currently in existence be reduced to six standing committees: Legal and Claims; Budget, Finance, Investment and Insurance; Engineering and Operations; Water Planning, Quality and Resources; Asset and Recreation; and Communications and Legislation. The Executive Committee would also remain with the membership reduced to include the chairs of the standing committees, the six elected nonofficers from the Board, the two past Chairmen of the Board; the four Vice Chairs of the Board, the Board Secretary, and the Chairman of the Board.

The Chair also reported that at the Executive Committee meeting, it was recommended that the number of people on each standing committee would be eight, except for 12 people on the Water Planning Committee, and that each committee has two vice chairs.

A discussion ensued regarding the membership of the committees. Chairman Bannister requested that the matter be taken up separately.

Director Pace then moved, seconded by Director Bakall and carried, that the Board adopt the CEQA determination and (a) approve the changes to Division 2, Chapters 4 and 5 of the Administrative Code set forth in Attachment 1 to the letter signed by the Interim General Counsel on May 31, 2006, to reflect the new structure of the Board's committees; and (b) authorize the General Counsel to conform other Administrative Code committee references to these committees, as set forth in the letter signed by the Interim General Counsel on May 31, 2006, with the change that the new committee structure for holding committee meetings be effective immediately and that the meetings be held consecutively.

46712 Regarding the size of the committees, Director Brick stated he supported the efforts to streamline the committee process. However, he expressed concern with the size of each committee (eight members), which would not foster better discussion of issues and more participation from Directors. Director Brick therefore moved to increase the size of all committees to 12, which would be more representative of the Board and would ensure greater participation from Board members in the decision-making process.

Following a discussion on the pros and cons of having smaller or larger committees (8 versus 12), Director Brick moved, seconded by Director W. Murray, that the size of the committees be left at the discretion of the Board Chairman.

Director J. Murray then moved, seconded by Director Pace and carried, and called for the question.

The Chair then called for a vote on the motion that the size of the committees be left at the discretion of the Board Chairman, which was carried.

46713 The following communications were submitted to the Board for information:

- a. Status report for the Inland Feeder Program for activities through April 2006 signed by the General Manager on May 26, 2006.

- b. Report on tentative order of the Santa Ana Regional Water Quality Control board to regulate use of imported water for recharge of groundwater basins, signed by the General Manager on May 30, 2006.

At the request of Director W. Murray, Water Resource Management Group Manager Arakawa gave an update on the Santa Ana Regional Water Quality Control board's efforts to look at the recharge of groundwater in their area.

46714 Organization and Personnel Committee Vice Chairman Brick reported that the committee had approved the Memorandum of Understanding (MOU) with the Employees Association-AFSCME Local 1902, effective July 1, 2005 through June 30, 2008, and the Employees Association-AFSCME Local 1902 has since ratified the MOU by an 89 percent vote. Committee Vice Chairman Brick therefore moved, seconded by Director J. Murray and carried unanimously, that the Board approve the contract with the Employees Association-AFSCME Local 1902.

46715 Chairman Bannister announced that the signing of the Memorandum of Understanding between Metropolitan Water District and the Small Business Administration (SBA) would take place immediately after the Board Meeting. The Chairman thanked Alberto G. Alvarado, Los Angeles District Director for the United States SBA, other representatives from the SBA and the banking and financial community, and staff for their efforts in obtaining this agreement.

46716 There being no objection, Chairman Bannister adjourned the Meeting at 12:44 p.m.

HELEN Z. HANSEN

SECRETARY

WES BANNISTER

CHAIRMAN