

MINUTES

REGULAR MEETING OF THE

BOARD OF DIRECTORS

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

JUNE 12, 2007

47105 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 12, 2007.

Chairman Brick called the Meeting to order at 12:03 p.m.

47106 The Meeting was opened with an invocation by Ron Ardalan, Unit Manager of Client Services in Information Technology, Corporate Resources Group.

47107 The Pledge of Allegiance to the Flag was given, led by Director Edward C. Little.

47108 Board Secretary Abdo called the roll. Those answering present were: Directors Abdo, Anderson, Barrett, Blake, Brick, Brown, De Jesus, Dick, J. Edwards, M. Edwards, Foley, Grandsen, Griset, Grunfeld, Hansen, Koopman, Little, Morris, J. Murray, W. Murray, Mylne, Pace, Parker, Peterson, Pocklington, Quiñonez, Record, Rez, and Wright.

Those not answering were: Directors Apodaca, Bakall, Bond, Fellow, Hall, Harris, Sutley, and Veres.

Chairman Brick declared a quorum present.

47109 Chairman Brick invited members of the public to address the Board on matters within the Board's jurisdiction.

Craig Brackbill, Executive President of AFSCME Local 1902 and speaking as a member of the public, commented on Agenda Item 7-11 to authorize execution of an agreement for the Chino Basin Desalination Phase II desalter and appropriate \$1.5 million to study expansion of the existing Chino Basin Groundwater Storage Program. Mr. Brackbill stated that this item was briefly discussed and approved at the Water Planning and Stewardship Committee meeting and questioned the amount of money that Metropolitan would be spending over the next 25 years on this project. Mr. Brackbill suggested that the Board consider Option #3 to not appropriate funds for the groundwater study or the agreement; authorize the General Manager to enter into negotiations with the member agencies for the Chino Desalter II Agreement and to amend the existing Storage Agreement under different terms; and return to the Board for approval of the amended agreements. He requested that Item 7-11 be removed from the Consent Calendar.

Director Hansen withdrew from the Meeting at 12:05 p.m.

Director Morris introduced Todd Brown, General Manager, Southern Division, California-American Water Company, serving the City of San Marino; Benjamin Lewis, Director of Service Delivery for the Western Region, California-American Water Company; and Kent Turner, President of California-American Water Company.

47110 There being no objection, Chairman Brick ordered the reading of the Minutes of the Meeting of May 8, 2007, dispensed with, a copy having been mailed to each Director.

Director Pace moved, seconded by Director Peterson and carried, approving the foregoing Minutes as mailed.

47111 A written report of meetings attended by Directors at Metropolitan expense during the month of May was distributed. The following Directors reported on their attendance at meetings:

Director J. Edwards - May 17, participated in an inspection trip to the PG&E Gas Compressor Station in Arizona, along with Chairman Brick, Directors De Jesus, Fellow, Little, Peterson, and Pocklington

Director Morris - May 10-12, corrected name of meeting sponsor to Water Environment Federation

Director Peterson - May 29, attended the dedication of the Bill Jones Pumping Plant in Tracy, California

Director Record - May 14, attended the interviews for ACWA Executive Director position at his member agency's expense

Director Hansen returned to the Meeting at 12:15 p.m.

47112 Chairman Brick reported on events in which he participated, as follows:

- May 9 - Traveled to Sacramento for a meeting with Metropolitan's staff, Assemblymember Jared Huff, Senator Mike Machado, Jonas Minton of the Planning and Conservation League, and representatives from the California Sports Fishing Alliance. That evening the Chair hosted Metropolitan's Board dinner during the ACWA conference for Directors and staff.
- May 16 - Attended the South Coast Media Services at the Pomona Fairplex, where he was the guest speaker on the topic: "The future of water, water supply and sustainability, and the impact on agriculture in Southern California".
- May 17 - Participated in Topock's PG&E Gas Compressor Station inspection trip in Arizona.
- May 18-20 - Along with Metropolitan's staff and Directors, participated in the launch of Solar Cup 2007.
- May 22 - Met with Jim Cherry, Yuma Area Manager for the Bureau of Reclamation, who was also given a tour of Metropolitan's facilities.
- May 24 - Participated in a panel discussion at GE's Ecomagination kick-off event at Universal Studios in Los Angeles. The event was about GE's sustainability drive and the issues with various environmental media. GE Water

(their water company) focuses on membrane technology and other water treatment and technology. They requested that Metropolitan discuss its drive to make Southern California's water supply reliable and sustainable.

- May 24 - Met with Pat Mulroy, General Manager of Southern Nevada Water Authority, and Jim Thebaut of Golden State Water Company.
- May 29 - At the request of the Colorado River Regional Sewer Coalition from Bullhead City, Arizona, he and staff met with their delegation to discuss the Lower Colorado River Protection Act (drafted by Senator Kyl of Arizona), the purpose of which is to protect the quality of the water in the Lower Colorado River through the development and implementation of a comprehensive plan for the prevention, reduction and elimination of pollution in the Lower Colorado River.
- May 31 - Attended a luncheon honoring Congresswoman Napolitano at the Sheraton Suites Fairplex, hosted by the San Gabriel Valley Economic Partnership, the San Gabriel Valley Public Affairs Network, and the San Gabriel Valley Council of Governments.
- May 31 - Along with Metropolitan's staff, attended Heal the Bay Annual Bring Back the Beach Gala at the Barker Hangar at Santa Monica Airport, honoring Governor Schwarzenegger, National Geographic, and Brian Wilson.
- June 1 - Attended the First Urban Water Research Center banquet sponsored by the Urban Water Research Center at the Mission San Juan Capistrano, where he was the guest speaker.
- June 6 - Testified before the Senate Subcommittee on Water and Power of the Senate Committee on Energy and Natural Resources in Washington, D.C., on the impacts of climate change on water supply and availability in the U.S.
- June 8 - Along with Metropolitan's staff and Director Grunfeld, met with City of Hemet officials to continue discussion of the city's conceptual proposal for recreation and land development, and also toured the Center for Water Education facility.
- June 8 - Participated in a tour of the Rancho Santa Ana Botanical Garden in Claremont, hosted by their staff Ken Schell and Patrick Larkin.

47113 Regarding Colorado River, Bay-Delta, and CALFED matters, General Manager Kightlinger referred to the activity report for May dated May 31, 2007, which was distributed earlier.

General Manager Kightlinger reported that Metropolitan took advantage of a window in which San Diego County Water Authority was shutting down Pipeline No 5 for repair of a valve. Metropolitan also had to do repairs on the pipeline and had scheduled the work to be completed in nine days; however, staff worked diligently around the clock and the much needed repair was done quickly and efficiently in five days.

General Manager Kightlinger announced that Metropolitan obtained \$60 million in grant funds for ozone retrofit projects that would help defray Metropolitan's costs at the Diemer, Skinner, and Weymouth treatment plants.

Regarding Skinner Expansion No. 4, Module 7, General Manager Kightlinger stated that using a very aggressive schedule, this project was completed in four years, on time and on budget. It will begin operation on July 1, 2007, and there will probably be a commemorative event scheduled.

General Manager Kightlinger reminded the Directors of the upcoming tour on June 14 of the uranium mill tailings in Moab, Utah.

General Manager Kightlinger informed the Board of his meeting on June 8 in Washington, D.C. At the request of Senator Feinstein, he attended the meeting to discuss Westlands Water District drainage issues, which Metropolitan is not directly involved in, but it has the potential to involve the State Water Project. Lester Snow, representing the State Water Project, was also present and discussed with the Senator the complex settlement of longstanding issues about Westlands drainage and how it could impact both state and federal water supplies in the state.

Regarding the Delta issues, General Manager Kightlinger stated that Agenda Item 8-6, the proposed framework for the Delta Action Plan, was passed out of committee and that it was a critical component for the Board to aggressively

participate in a campaign in Sacramento to have a complete global package of short-term, mid-term, and long-term pieces to be implemented starting next year. Within the next six months, Metropolitan will be working very aggressively to move this forward. Mr. Kightlinger informed the Board he would be bringing on additional personnel and consultants to assist in this campaign, and that one of the key aspects is to have a united Southern California political structure behind this approach. Also to be included in this campaign would be environmental groups and the media. Regarding the Southern California piece, Mr. Kightlinger announced that he had contracted with Richard Katz, former chair of the Democratic Party and state assemblyman, who has worked closely with most elected officials in Southern California and who can help Metropolitan in getting the message out for Southern Californians to work together on this matter. General Manager Kightlinger also stated that at the next Executive Committee meeting he would inform the Board of others he planned to work with on the environmental piece, as well as the media approach.

47114 Regarding Legal Department activities, General Counsel Tachiki referred to the General Counsel's activity report for May dated May 31, 2007, which was distributed earlier.

Following up on the General Manager's report on Delta issues, General Counsel Tachiki reported that the *Watershed Enforcers* cases were discussed in closed session earlier today at the Legal and Human Resources Committee meeting. The Legal Department's efforts in these matters will be parallel and working in close relationship with the General Manager's plans.

General Counsel Tachiki reported that in the *Watershed Enforcers II* case, which is the case in which the plaintiffs are challenging the ability of the Department of Water Resources to withdraw its consistency determination request, Kern County Water Agency filed a motion to disqualify Judge Roesch who is the Superior Court judge in *Watershed Enforcers I*. The motion was granted. A different judge will be assigned to hear the *Watershed Enforcers II* case. The hearing on that particular writ will be held on June 19, 2007.

In *Metropolitan v. Campus Crusade for Christ*, General Counsel Tachiki reported that this case was argued before the

California Supreme Court at the end of May. This is a very significant case for the application of eminent domain law generally and will provide a lot of guidance as to what issues the court can consider versus what a jury may hear. Ms. Tachiki expressed appreciation for the support of many of the member agencies that filed friend of the court briefs in this matter.

47115 Ethics Officer Elliott referred to the activity report for May dated May 31, 2007, which was distributed earlier.

Ethics Officer Elliott reported that the Inquiry and Review Committee met yesterday to review a matter of possible managerial misconduct, and that an external investigation supervised by the Legal Department is underway and the General Manager's office is gathering relevant internal information. The committee will review the material and meet again on Friday, July 6, 2007, with the expectation that the investigation and data collection will be completed by that time. Dr. Elliott stated that she would be reporting on this matter in her monthly written and oral reports until the committee submits its findings and recommendations to the General Manager.

47116 General Auditor Riss presented a report of the Audit Department's activities for the month of May, dated May 31, 2007, in which six audit reports and a special project were issued during the month, as follows:

- Vanir Construction Management, Incorporated Audit Report - Generally Satisfactory
- IID/MWD Incentive Programs/Conservation Audit Report - Satisfactory
- Central Arizona Water Conservation District Program Audit Report - Satisfactory
- SWP Water Transfer Program with San Bernardino Valley Water District Audit Report - Satisfactory
- SWP Water Transfer Program with Desert Water Agency, Coachella Valley Water District, and Mojave Water Agency Audit Report - Satisfactory
- Environmental, Health, & Safety and Legal Department Applications Audit Report - Generally Satisfactory
- Official Statement for the Water Revenue Bonds, 2006 Authorization, Series A

General Auditor Riss briefly commented on each audit report and stated that management has already taken steps to correct those issues that were noted in the Vanir and Environmental, Health, & Safety audit reports. Mr. Riss mentioned the Audit Department's participation in the Water Revenue Bonds, 2006 Authorization, Series A, and reviewed the Official Statement with no exceptions.

47117 General Manager Kightlinger commented on his Business Plan for fiscal year 2007/08, which was presented by Assistant General Manager/Chief Operating Officer Man at the Budget Workshop on May 22, 2007. He stated that the principles of the Business Plan were based on the goals and priorities set out at the Board Retreat.

Director Morris moved, seconded by Director Blake and carried, approving the General Manager's Business Plan for fiscal year 2007/08.

Director Pace moved, seconded by Director Peterson and carried, and the Board approved the Consent Calendar Items, **M.I. 47118** through **M.I. 47128**, as follows:

47118 Adopted the California Environmental Quality Act (CEQA) determination and (a) granted conditional approval for the Calleguas Annexation No. 90 concurrently to Calleguas Municipal Water District and Metropolitan, conditioned upon receipt in full of annexation fee of \$85,081.68 to Metropolitan if completed by December 31, 2007, or if completed later, at the then-current annexation charge rate; (b) approved Calleguas' Statement of Compliance with the current Water Use Efficiency Guidelines; and (c) adopted the resolution of intention (**Resolution 9032**) to impose water standby charge within the proposed annexation territory, substantially in the form of Attachment 3 to the letter signed by the General Manager on May 25, 2007, 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 – CALLEGUAS ANNEXATION NO. 90

Director Grandsen requested to be recorded as abstaining.

47119 Adopted the CEQA determination and (a) granted conditional approval for the Citrus Heights Annexation concurrently to San Diego County Water Authority and Metropolitan, conditioned upon receipt in full of annexation fee of \$61,149.18 to Metropolitan if completed by December 31, 2007, or if completed later, at the then-current annexation charge rate; (b) approved SDCWA's Statement of Compliance with the current Water Use Efficiency Guidelines; and (c) adopted the resolution of intention (**Resolution 9033**) to impose water standby charge within the proposed annexation territory, substantially in the form of Attachment 3 to the letter signed by the General Manager on May 25, 2007, 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 - CITRUS HEIGHTS

47120 Adopted the CEQA determination and (a) granted conditional approval for the 43rd Fringe Area Annexation concurrently to Western Municipal Water District and Metropolitan, conditioned upon receipt in full of annexation fee of \$177,593.12 to Metropolitan if completed by December 31, 2007, or if completed later, at the then-current annexation charge rate; (b) approved Western's Statement of Compliance with the current Water Use Efficiency Guidelines; and (c) adopted the resolution of intention (**Resolution 9034**) to impose water standby charge within the proposed annexation territory, substantially in the form of Attachment 3 to the letter signed by the General Manager on May 25, 2007, 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 - 43RD FRINGE AREA

47121 Adopted the CEQA determination and approved up to \$1.13 million to renew or replace the Aircraft Liability, Crime, Excess General Liability policies; Travel Accident, Special Contingency, 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 30, 2007.

47122 Adopted the CEQA determination and (a) appropriated \$1.59 million in budgeted funds (Appropriation No. 15376, No. 8, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and (b) authorized Phase One of the IT Infrastructure Upgrade project, as set forth in the letter signed by the General Manager on May 25, 2007.

47123 Adopted the CEQA determination and (a) appropriated \$625,000 (Appropriation No. 15391, No. 4, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and (b) authorized preliminary design and preparation of environmental documentation for the Skinner Solar Power Generation Facility with a capacity of one megawatt, as set forth in the letter signed by the General Manager on May 25, 2007.

47124 Adopted the CEQA determination and authorized an increase of \$1.8 million to the existing agreement with Parsons Water & Infrastructure, for a new not-to-exceed total of \$13.95 million, for project controls support on the Inland Feeder Program, as set forth in the letter signed by the General Manager on May 25, 2007.

47125 Adopted the CEQA determination and (a) appropriated \$846,000 in budgeted funds (Appropriation No. 15411, No. 6, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and authorized (b) implementation of the fleet and fuel management systems; and (c) an agreement with Total Resource Management, Inc. in an amount not to exceed \$967,000 for consulting services to install, configure and implement the Maximo Transportation Module and the E. J. Ward Fleet Fuel System, as set forth in the letter signed by the General Manager on May 24, 2007.

47126 Adopted the CEQA determination and authorized (a) the continued participation in the Los Angeles and San Gabriel Rivers Water Augmentation Study for watershed management; and (b) increased contribution of \$75,000 to the study for fiscal year 2007/08, as set forth in the letter signed by the General Manager on May 25, 2007.

Director J. Edwards requested to be recorded as voting no.

47127 Adopted the CEQA determination and (a) authorized the General Manager to negotiate amendments to the existing groundwater storage agreement with Calleguas Municipal Water District as outlined in the board letter signed by the General Manager on May 29, 2007; and (b) appropriated approximately \$1.063 million (for balance of accrued rehabilitation and O&M of \$463,000 plus \$600,000 in accrued energy cost to date).

Director Grandsen requested to be recorded as abstaining.

47128 Adopted the CEQA determination and approved the recommended semiannual award of Community Partnering Program sponsorships for fiscal year 2006/07 as listed in Attachment 1 to the board letter signed by the General Manager on May 25, 2007.

Director Hansen requested to be recorded as abstaining.

47129 Water Planning and Stewardship Committee Vice Chairman Barrett reported Agenda Item 7-11 on an agreement for the Chino Basin Desalination Phase II desalter was heard at the committee and was approved with one abstention. He stated there was no presentation but a full discussion took place and the committee approved it.

At the request of the General Manager, System Analysis Unit Manager Harding gave a presentation of this item.

A discussion took place on various items such as peaking on the Rialto Pipeline, increase in dry-year yield, and storage losses.

Water Planning and Stewardship Committee Vice Chairman Barrett then moved, seconded by Director Blake, that the Board approve Option #1 to adopt the CEQA determination and (a) authorize the General Manager to execute the Chino Desalter II Agreement for up to \$250 per acre-foot of desalted water, with the agreement to expire in two years if the existing Storage Agreement has not been amended consistent with the terms noted in the board letter, or if the amendments to the Storage Agreement have not been implemented within five years; (b) appropriate \$1.5 million in budgeted funds (Appropriation No. 15272, No. 8, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and (c) authorize the General Manager to reimburse Inland Empire Utilities Agency, Three Valleys Municipal Water District, and Western Municipal Water District \$1.5 million for a study to expand the existing Storage Agreement, as set forth in the letter signed by the General Manager on May 31, 2007.

Director Dick withdrew from the Meeting at 12:43 p.m.

Director J. Murray stated he understood that this item has not been fully vetted by the agency managers and which contains a number of implications that warrant a full debate. Director J. Murray then offered a substitute motion, seconded by Director Grunfeld, that the Board approve Option #3 set forth in the letter signed by the General Manager on May 31, 2007, and (a) do not appropriate funds for the groundwater study or the agreement; (b) authorize the General Manager to enter into negotiations with the member agencies for the Chino Desalter II Agreement and to amend the existing Storage Agreement under different terms; and (c) return to the Board for approval of the amended agreements.

Comments were made regarding the clean up of a dirty basin, this being Metropolitan's only contract with zero losses, and of the substitute motion being a matter of process.

Chairman Brick called for a vote on the substitute motion (Option #3), which failed.

Directors Grunfeld, J. Murray, and Quiñonez requested to be recorded as voting yes.

Chairman Brick called for a vote on the main motion (Option #1), which carried.

Directors De Jesus, J. Edwards, and Koopman requested to be recorded as abstaining.

Directors Grunfeld, J. Murray, and Quiñonez requested to be recorded as voting no.

Director Pace withdrew from the Meeting at 12:50 p.m.

47130 Business and Finance Committee Vice Chairman Grunfeld moved, seconded by Director Blake and carried, and the Board adopted the CEQA determination and staff's recommendations for changes to the Statement of Investment Policy as set forth in Attachment 1 to the board letter signed by the General Manager on May 24, 2007, and delegated authority to invest to the Treasurer.

Director Dick returned to the Meeting at 12:54 p.m.

47131 Business and Finance Committee Vice Chairman Grunfeld reported that Agenda Item 8-2, the fiscal year 2007/08 annual budget, was passed unanimously by the committee, with a revision to item "e" changing \$4 million to \$5.45 million contingent upon approval of Board Letter 8-10 in the Communications and Legislation Committee (see M.I. 47139).

Business and Finance Committee Vice Chairman Grunfeld then moved the recommendation of the General Manager as set forth in his letter signed May 29, 2007, seconded by Director Blake, to adopt the CEQA determination and:

- a. Approve the FY 2007/08 Budget;
- b. Appropriate \$906.2 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. Appropriate as continuing appropriations, \$281.7 million for FY 2007/08 debt service on Metropolitan general obligation and revenue bonds;
- d. Authorize the use of \$85 million in operating revenues to fund Replacement and Refurbishment and General Fund construction and up to an additional \$10 million if water sales exceed 2.23 million acre-feet;
- e. Approve an additional \$5.45 million for conservation outreach and advertising in the External Affairs budget; and
- f. Authorize the General Manager to accept up to \$0.6 million in grant funds awarded from the California Air Resources Board (CARB) toward the replacement of three heavy equipment units including: one backhoe/loader (BIN 0415), one motor-grader (BIN 0416), and one front-end loader/tool carrier (Bin 0417), and authorize \$0.2 million in operating equipment funds as grant matching funds for same.

Chairman Brick called for the vote to approve the fiscal year 2007/08 budget actions, which carried.

47132 Engineering and Capital Programs Committee Chairman Koopman moved, seconded by Director Blake and carried, and the Board adopted the CEQA determination and (a) appropriated \$22.7 million in budgeted funds (Appropriation No. 15424, No. 4, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and (b) awarded a \$14,556,000 contract to C. W. Roen Construction Co. to construct Mills Ozone Contactors 3 and 4, as set forth in the letter signed by the General Manager on May 25, 2007.

47133 Engineering and Capital Programs Committee Chairman Koopman moved, seconded by Director Blake and carried, and the Board adopted the CEQA determination and (a) appropriated \$11.7 million in budgeted funds (Appropriation No. 15369, No. 23, from the Revenue Bonds, Replacement and Refurbishment or General Funds); (b) awarded a \$9.03 million contract to Brutoco Engineering and Construction, Inc. to construct the Weymouth Operations and Maintenance Building; and (c) authorized an increase of \$105,000 to the existing agreement with Tetra Design, for a new not-to-exceed total of \$2,358,000, as set

forth in the letter signed by the General Manager on May 25, 2007.

47134 Water Planning and Stewardship Committee Vice Chairman Barrett moved, seconded by Director Morris and carried, and the Board adopted the CEQA determination and, by a two-thirds vote, authorized the General Manager to make payment of \$1,372,555 to the State Water Contractors, Inc. in July 2007 for fiscal year 2007/08, as set forth in the letter signed by the General Manager on May 25, 2007.

47135 Water Planning and Stewardship Committee Vice Chairman Barrett moved, seconded by Director Morris and carried, and the Board adopted the CEQA determination and supported, in principle, the proposed Delta Action Plan, as set forth in the letter signed by the General Manager on May 25, 2007.

47136 Communications and Legislation Committee Vice Chairman Anderson moved, seconded by Director Blake and carried, and the Board adopted the CEQA determination and, as described in the board letter signed by the General Manager on May 25, 2007, authorized support for AB 566 (Plescia, R-San Diego): Development of a Standard Protocol for Evapotranspiration Data.

47137 Communications and Legislation Committee Vice Chairman Anderson moved, seconded by Director Dick and carried, and the Board adopted the CEQA determination and expressed support for SB 821 (Kuehl, D-Santa Monica) regarding water supplies and development, as set forth in the letter signed by the General Manager on May 25, 2007.

47138 Communications and Legislation Committee Vice Chairman Anderson moved, seconded by Director Blake and carried, and the Board adopted the CEQA determination and expressed support for the federal perchlorate legislation bills: S. 24 (Boxer, D-California), S. 150 (Boxer, D-California), and H.R. 1747 (Solis, D-California), as set forth in the letter signed by the General Manager on May 31, 2007.

47139 Communications and Legislation Committee Vice Chairman Anderson moved, seconded by Director Morris, that the Board adopt the CEQA determination and authorize the General Manager to implement water conservation communications plan and renew a

one-year agreement for up to \$5,450,000 with Johnson/Ukropina for advertising services related to water conservation, as set forth in the letter signed by the General Manager on May 31, 2007.

Director Foley expressed concern on the usual conservation messages used by water agencies, and suggested that Metropolitan give serious thought on new advertising messages of what will happen in Southern California if the pumps in the Delta are shut down to save the smelt.

The Chair called for a vote on the motion, which carried.

47140 Referring to Agenda Item 9-2 titled "Report on the Governor's Strategic Growth Plan and SB 59 (Cogdill, R-Fresno) - the Reliable Water Supply Bond Act of 2008", and signed by the General Manager on May 30, 2007, Director Peterson remarked that the Governor is now fully engaged in water matters and that it would be remiss for Metropolitan as a water agency to take it for granted that somehow the Governor would carry all the weight. Director Peterson stated that Metropolitan has not weighed in on the Cogdill bill and that the Board should act on the staff's recommendation given in the board letter of two months ago.

Director Peterson then moved, seconded by Director Wright, that the Board adopt the CEQA determination and authorize the General Manager to express Metropolitan's support for SB 59 (Cogdill, R-Fresno) if it is amended as described in the board letter signed by the General Manager on April 3, 2007 at the April 10, 2007 Board Meeting (Item 8-16), with the amendments to provide a comprehensive fix of the water system, including conveyance and storage.

A discussion ensued on whether action should be taken now on SB 59 since the bill is in limbo, and when Metropolitan should consider taking action on SB 59.

Director Foley withdrew from the Meeting at 1:20 p.m.

Director Barrett stated that he would not make the current board letter an action item, and offered a substitute

motion to bring this item back to the Executive Committee for further discussion and action. Director J. Murray seconded the motion.

Further discussion on the substitute motion followed, with comments that the item be taken back to the Communications and Legislation Committee.

Director Grunfeld withdrew from the Meeting at 1:30 p.m.

The Chair called for the vote on the substitute motion to take the item back to the Executive Committee.

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

Ayes: Los Angeles (Ayes: Dirs. J. Murray and Quiñonez. Absent: Dirs. Grunfeld and Sutley. 34,201 votes), San Diego County Water Authority (Ayes: Dirs. Barrett, Parker, and Pocklington. Absent: Dir. Bond. 33,476 votes), San Marino (Dir. Morris, 351 votes), Santa Monica (Dir. Abdo, 1,962 votes), Western Municipal Water District of Riverside County (Dir. Mylne, 7,191 votes). Total 77,181 votes.

Noes: Anaheim (Dir. M. Edwards, 3,228 votes), Burbank (Dir. Brown, 1,545 votes), Calleguas Municipal Water District (Dir. Grandsen, 7,344 votes), Eastern Municipal Water District (Dir. Record, 5,751 votes), Foothill Municipal Water District (Dir. J. Edwards, 1,104 votes), Fullerton (Dir. Blake, 1,316 votes), Glendale (Dir. Rez, 1,961 votes), Inland Empire Utilities Agency (Dir. Koopman, 7,036 votes), Las Virgenes Municipal Water District (Dir. Peterson, 1,682 votes), Long Beach (Dir. Hansen, 3,354 votes), Municipal Water District of Orange County (Noes: Dirs. Anderson and Dick. Absent: Dirs. Bakall and Foley. 30,835 votes), Santa Ana (Dir. Griset, 1,932 votes), Three Valleys Municipal Water District (Dir. De Jesus, 4,431 votes), Torrance (Dir. Wright, 1,913 votes), West Basin Municipal Water District (Dirs. Little and W. Murray, 11,754 votes). Total 85,186 votes.

Abstain: Pasadena (Dir. Brick, 1,693 votes). Total 1,693 votes.

Absent: Beverly Hills (Dir. Harris, 1,664 votes), Central Basin Municipal Water District (Dirs. Pace and Apodaca, 9,753 votes), Compton (Dir. Hall, 299 votes), San Fernando (Dir. Veres, 132 votes), Upper San Gabriel Valley Municipal Water District (Dir. Fellow, 6,344 votes). Total 18,192 votes.

The Chair declared the substitute motion failed by a vote of 77,181 ayes, 85,186 noes, 1,693 abstain, and 18,192 absent.

The Chair then called for the vote on the main motion to take a position on SB 59 if it is amended.

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

Ayes: Anaheim (Dir. M. Edwards, 3,228 votes), Burbank (Dir. Brown, 1,545 votes), Calleguas Municipal Water District (Dir. Grandsen, 7,344 votes), Eastern Municipal Water District (Dir. Record, 5,751 votes), Fullerton (Dir. Blake, 1,316 votes), Glendale (Dir. Rez, 1,961 votes), Inland Empire Utilities Agency (Dir. Koopman, 7,036 votes), Las Virgenes Municipal Water District (Dir. Peterson, 1,682 votes), Long Beach (Dir. Hansen, 3,354 votes), Municipal Water District of Orange County (Ayes: Dirs. Anderson and Dick. Absent: Dirs. Bakall and Foley. 30,835 votes), San Diego County Water Authority (Ayes: Dirs. Barrett, Parker, and Pocklington. Absent: Dir. Bond. 33,476 votes), San Marino (Dir. Morris, 351 votes), Santa Ana (Dir. Griset, 1,932 votes), Three Valleys Municipal Water District (Dir. De Jesus, 4,431 votes), Torrance (Dir. Wright, 1,913 votes), West Basin Municipal Water District (Dirs. Little and W. Murray, 11,754 votes), Western Municipal Water District of Riverside County (Dir. Mylne, 7,191 votes). Total 125,100 votes.

Noes: Foothill Municipal Water District (Dir. J. Edwards, 1,104 votes), Los Angeles (Noes: Dirs. J. Murray and Quiñonez. Absent: Dirs. Grunfeld and Sutley. 34,201 votes), Santa Monica (Dir. Abdo, 1,962 votes). Total 77,181 votes.

Not Voting: Pasadena (Dir. Brick, 1,693 votes). Total 1,693 votes.

Absent: Beverly Hills (Dir. Harris, 1,664 votes), Central Basin Municipal Water District (Dirs. Pace and Apodaca, 9,753 votes), Compton (Dir. Hall, 299 votes), San Fernando (Dir. Veres, 132 votes), Upper San Gabriel Valley Municipal Water District (Dir. Fellow, 6,344 votes). Total 18,192 votes.

The Chair declared the main motion carried by a vote of 125,100 ayes, 37,267 noes, 1,693 not voting, and 18,192 absent.

47141 The following communications were submitted to the Board for information:

- a. Status report for the Inland Feeder Program for activities through April 2007 signed by the General Manager on May 25, 2007.
- b. Report on AB 1393, SB 343 and SB 964 - Amending the Public Records Act and Brown Act, signed by the General Manager on May 25, 2007.

47142 Chairman Brick announced the meetings on Tuesday, June 19, 2007, would be the Executive Committee at 9:00 a.m. and the Colorado River Workshop at 11:30 a.m.

47143 There being no objection, the Chairman adjourned the Meeting at 1:34 p.m.

JUDY ABDO

SECRETARY

TIMOTHY F. BRICK

CHAIRMAN