

**MINUTES**

**REGULAR MEETING OF THE**

**BOARD OF DIRECTORS**

**THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

**FEBRUARY 12, 2008**

**47368** 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, February 12, 2008.

Chairman Brick called the Meeting to order at 12:05 p.m.

**47369** The Meeting was opened with an invocation by Reverend Zedar E. Broadous, USN Retired, and Pastor of Social Concerns at Calvary Baptist Church of Pacoima.

**47370** The Pledge of Allegiance to the Flag was given, led by Director James H. Blake.

**47371** Board Secretary Abdo called the roll. Those answering present were: Directors Abdo, Apodaca, Ballin, Barrett, Blake, Bond, Brick, Brown, De Jesus, Dick, J. Edwards, M. Edwards, Fellow, Foley, Grandsen, Griset, Grunfeld, Hansen, Hawkins, Koopman, Little, Lopez, Morris, J. Murray, Parker, Peterson (via telephone participation), Pocklington, Record, Rez, Sutley, Wright, and Wunderlich.

Those not answering were: Directors Bakall, Hall, W. Murray, and Quiñonez.

Chairman Brick declared a quorum present.

**47372** Chairman Brick invited members of the public to address the Board on matters within the Board's jurisdiction.

Claire Schlotterbeck, executive director of Hills for Everyone and co-founder of Chino Hills State Park, spoke on Agenda Item 8-1, the Diemer North Access Road. She expressed her opposition to this road and commented on the short time given for the environmental response.

Gary Watts from State Parks spoke in support of Agenda Item 8-1 and requested that the Board approve this item.

Director Ballin withdrew from the Meeting at 1:00 p.m.

Phillip L. Isenberg, Chairman of the Governor's Blue Ribbon Task Force on Vision for California's Delta, summarized the Task Force's "vision statement" released in December. He stated it was important to stop inappropriate urban development in the Delta, seek short-term improvements to improve the Delta's ecosystem, and take other protective measures while long-term solutions are worked out. He further commented that a Delta "fix" would need broad participation that goes beyond just the water export community. Mr. Isenberg said that in terms of water conservation, Metropolitan has served as an "exemplar" for the rest of the state.

Director Foley withdrew from the Meeting at 1:08 p.m.

**47373** There being no objection, Chairman Brick ordered the reading of the Minutes of the Meeting for January 8, 2008, dispensed with, a copy having been mailed to each Director.

Director Grandsen moved, seconded by Director Bond and carried, approving the foregoing Minutes as mailed.

Directors Blake and Hansen requested to be recorded as abstaining.

Director Ballin returned to the Meeting at 1:11 p.m.

**47374** A written report of meetings attended by Directors at Metropolitan expense during the month of January was distributed.

**47375** Chairman Brick presented commendations to Dennis Bilodeau, Second Vice President of Orange County Water District, and James Ferryman, Chair of the Orange County Sanitation District, for their work on the state-of-the-art Groundwater Replenishment System.

**47376** Chairman Brick presented to Directors Anthony Fellow and Ted Grandson pins for their 15 years of service on Metropolitan's Board, representing Upper San Gabriel Valley Municipal Water District and Calleguas Municipal Water District, respectively.

**47377** Chairman Brick commented on the recent passing of Board Vice Chair Steve Anderson and Director Emeritus Edward L. Kussman.

Assistant General Manager/Chief Administrative Officer Ivey gave a tribute to Director Emeritus Kussman, who served on Metropolitan's Board from October 8, 1974 to November 8, 1993, representing the City of Los Angeles.

Director Foley returned to the Meeting at 1:20 p.m.

**47378** Director Sutley moved, seconded by Director J. Edwards and carried, approving the Chair's appointment of Director Griset as Vice Chair of the Communications and Legislation Committee.

**47379** Director Morris moved, seconded by Director J. Murray and carried, authorizing preparation of Memorial Resolutions for former Assistant General Manager David N. Kennedy and Board Vice Chair Steve Anderson.

**47380** Chairman Brick reported on events in which he participated, as follows:

- January 10-11 - Participated in a Special Business Coalition State Water Project inspection trip of the Delta.

- January 17 - Attended the Southern California Leadership Council's first quarterly board meeting in Los Angeles.
- January 22 - Attended a meeting at the International Brotherhood of Electrical Workers training center in Commerce and discussed potential for cooperation in regard to apprentice training programs.
- January 23 - Attended Inland Empire Utilities Agency's Leadership Breakfast, where he was the guest speaker.
- January 31 - Along with Metropolitan's staff, met with Congressman Albert R. Wynn (D-Maryland) to discuss the Water Resources Development Act bill.

**47381** Regarding Colorado River, Bay-Delta, and CALFED matters, General Manager Kightlinger referred to the activity report for January dated January 31, 2008, which was distributed earlier.

General Manager Kightlinger reported that the water allocation from the State Water Project has been increased from 25 percent to 35 percent. Mr. Kightlinger further commented on the supply allocation plan process that staff and the member agencies have worked out, which is before the Board today for action.

General Manager Kightlinger announced that the Colorado River Board has scheduled a tour of the All-American Canal on February 28 and 29, 2008.

**47382** Regarding Legal Department activities, General Counsel Tachiki referred to the General Counsel's activity report for January dated January 31, 2008, which was distributed earlier.

General Counsel Tachiki reminded the Directors that their Forms 700, the conflict of interest forms, are due to be filed shortly. Mrs. Tachiki referred to the lawsuit that Mr. Eisenberg mentioned regarding the striped bass. This case is titled *Coalition for a Sustainable Delta v. Carlson*, and is listed in the General Counsel's monthly report.

**47383** General Auditor Riss presented a report of the Audit Department's activities for the month of January, dated January 31, 2008. He stated that four Audit Reports were issued during the month. Specifically, he noted that the reports

issued were Fluoridation Program California Dental Association Foundation Funding Agreement Audit Report with a less than satisfactory rating; Tectonics & Tetra Design, Incorporated Agreements Audit Report with a less than satisfactory rating; High Efficiency Clothes Washers Audit Report with a generally satisfactory rating; and Security Practices at Union Station and Other Metropolitan Facilities Follow-up Audit Report.

General Auditor Riss gave a brief description of the above audit reports. Mr. Riss pointed out that the Controller's Section, under the guidance of the Chief Financial Officer, has begun an assessment of the internal controls of the financial reporting.

**47384** Ethics Officer Elliott referred to the activity report for January dated January 31, 2008, which was distributed earlier.

Ethics Officer Elliott announced that the first AB 1234-mandated training for Directors and Officers would be on Tuesday, March 25, 2008, from 8:30 a.m. to 10:00 a.m. Steve Churchwell, former counsel to the Fair Political Practices Commission (FPPC), will conduct the training, covering Form 700, conflicts of interest, and campaign contributions. Dr. Elliott stated that a second session would be planned for a later date in the year.

**47385** Chairman Brick stated that pursuant to the Brown Act and because of the telephone participation, there must be a roll call vote for each action item, with one roll call vote for the Consent Calendar items and separate votes for Agenda Items 8-1 through 8-7.

Director Grunfeld moved, seconded by Director J. Edwards, that the Board approve the Consent Calendar Items, **M.I. 47386** through **M.I. 47388**, as follows:

**47386** Adopt the CEQA determinations and (a) **Resolution 9057** granting Calleguas Municipal Water District's request for approval of Annexation No. 91, concurrently to Metropolitan and to Calleguas, conditioned upon approval by the Ventura Local Agency Formation Commission, and establishing Metropolitan's terms and conditions for the annexation; and **Resolution 9058** to

impose water standby charge at a rate of \$9.58 per acre or per parcel of less than one acre within the proposed annexation areas, as set forth in the letter signed by Assistant General Manager/Chief Operating Officer Man for the General Manager on January 28, 2008, said resolutions entitled:

**Resolution 9057**      **RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA CONSENTING TO CALLEGUAS MUNICIPAL WATER DISTRICT'S ANNEXATION NO. 91 AND FIXING THE TERMS AND CONDITIONS OF SAID ANNEXATION TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

**Resolution 9058**      **RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA FIXING AND ADOPTING WATER STANDBY CHARGE CONTINGENT UPON CALLEGUAS MUNICIPAL WATER DISTRICT'S ANNEXATION NO. 91**

**47387**      Adopt the CEQA determination and authorize increase of \$4.65 million in Appropriation No. 15410, increase of \$4.35 million in Appropriation No. 15365, and decrease of \$9 million in Appropriation No. 15388, for three Skinner plant capital programs, as set forth in the letter signed by Assistant General Manager/Chief Operating Officer Man for the General Manager on January 28, 2008.

**47388**      Adopt the CEQA determinations and (a) appropriate \$1.77 million (Appropriation No. 15477, No. 2, from the Revenue Bonds, Replacement and Refurbishment or General Funds) and authorize final design, procurement and construction of a new chlorine injection point at the Lake Skinner Outlet Conduit; and authorize (b) procurement of two liquid chlorine trailers; and (c) an increase of \$450,000 in the WSO Group's operating equipment budget for procurement of two mobile chlorination units, as set forth in the letter signed by Assistant General Manager/Chief Operating Officer Man for the General Manager on January 28, 2008.

The Chair called for a vote on the motion to approve the Consent Calendar Items.

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

Ayes: Anaheim (Dir. M. Edwards, 3,352 votes), Beverly Hills (Dir. Wunderlich, 1,817 votes), Burbank (Dir. Brown, 1,679 votes), Central Basin Municipal Water District (Dirs. Apodaca and Hawkins, 10,595 votes), Eastern Municipal Water District (Dir. Record, 6,788 votes), Foothill Municipal Water District (Dir. J. Edwards, 1,197 votes), Fullerton (Dir. Blake, 1,408 votes), Glendale (Dir. Rez, 2,106 votes), Inland Empire Utilities Agency (Dir. Koopman, 7,982 votes), Las Virgenes Municipal Water District (Dir. Peterson, 1,859 votes), Long Beach (Dir. Hansen, 3,670 votes), Los Angeles (Ayes: Dirs. Grunfeld, J. Murray, and Sutley. Absent: Dir. Quiñonez. 37,539 votes), Municipal Water District of Orange County (Ayes: Dirs. Dick and Foley. Absent: Dir. Bakall. 33,589 votes), San Diego County Water Authority (Dirs. Barrett, Bond, Parker, and Pocklington, 36,606 votes), San Fernando (Dir. Ballin, 144 votes), San Marino (Dir. Morris, 374 votes), Santa Ana (Dir. Griset, 2,094 votes), Santa Monica (Dir. Abdo, 2,103 votes), Three Valleys Municipal Water District (Dir. De Jesus, 4,771 votes), Torrance (Dir. Wright, 2,053 votes), Upper San Gabriel Valley Municipal Water District (Dir. Fellow, 6,840 votes), West Basin Municipal Water District (Aye: Dir. Little. Absent: Dir. W. Murray. 12,760 votes), Western Municipal Water District of Riverside County (Dir. Lopez, 8,366 votes). Total 189,692 votes.

Noes: None.

Abstain: Calleguas Municipal Water District (Dir. Grandson, 7,950 votes). Total 7,950 votes.

Not Participating: Pasadena (Dir. Brick, 1,846 votes). Total 1,846 votes.

Absent: Compton (Dir. Hall, 338 votes). Total 338 votes.

The Chair declared the Consent Calendar Items passed by a vote of 189,692 ayes, 7,950 abstain, 1,846 not participating, and 338 absent.

Vice Chairman Fellow withdrew from the Meeting at 1:35 p.m.

**47389** Engineering and Capital Programs Committee Chairman Koopman moved, seconded by Director J. Murray, that the Board adopt the CEQA determinations and (a) appropriate \$4.27 million (Appropriation No. 15380, No. 13, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and (b) authorize final design of Phases II and III of the Diemer North Access Road, as set forth in the letter signed by Assistant General Manager/Chief Operating Officer Man for the General Manager on January 24, 2008.

Matt Stone of the Municipal Water District of Orange County (MWDOC) spoke in favor of the motion and reiterated that MWDOC supports the addition of this second point of access to the Diemer plant. He stated the Diemer plant serves about three million residents in Southern California, and about one-half million people rely exclusively on this source of water.

Director De Jesus spoke in support of the motion and commented on the letter from the law firm on behalf of Hills for Everyone, which questioned the timing of the EIR. Director De Jesus asked if only the week's period for review, as mentioned in the letter, was given. Chief Operating Officer Man replied that there was a full comment period and all interested parties, including Hills for Everyone, was given copies of the draft environmental documents. Ms. Man stated numerous meetings were held and that this group was given full opportunity to review and comment.

The Chair called for a vote on the motion to approve the Diemer North Access Road.

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

Ayes: Anaheim (Dir. M. Edwards, 3,352 votes), Beverly Hills (Dir. Wunderlich, 1,817 votes), Burbank (Dir. Brown, 1,679 votes), Calleguas Municipal Water District (Dir. Grandsen, 7,950



votes), Central Basin Municipal Water District (Dirs. Apodaca and Hawkins, 10,595 votes), Eastern Municipal Water District (Dir. Record, 6,788 votes), Foothill Municipal Water District (Dir. J. Edwards, 1,197 votes), Fullerton (Dir. Blake, 1,408 votes), Glendale (Dir. Rez, 2,106 votes), Inland Empire Utilities Agency (Dir. Koopman, 7,982 votes), Las Virgenes Municipal Water District (Dir. Peterson, 1,859 votes), Los Angeles (Ayes: Dirs. Grunfeld, J. Murray, and Sutley. Absent: Dir. Quiñonez. 37,539 votes), Municipal Water District of Orange County (Ayes: Dirs. Dick and Foley. Absent: Dir. Bakall. 33,589 votes), Pasadena (Dir. Brick, 1,846 votes), San Diego County Water Authority (Dirs. Barrett, Bond, Parker, and Pocklington, 36,606 votes), San Fernando (Dir. Ballin, 144 votes), San Marino (Dir. Morris, 374 votes), Santa Ana (Dir. Griset, 2,094 votes), Santa Monica (Dir. Abdo, 2,103 votes), Three Valleys Municipal Water District (Dir. De Jesus, 4,771 votes), Torrance (Dir. Wright, 2,053 votes), West Basin Municipal Water District (Aye: Dir. Little. Absent: Dir. W. Murray. 12,760 votes), Western Municipal Water District of Riverside County (Dir. Lopez, 8,366 votes). Total 188,978 votes.

Noes: None.

Abstain: Long Beach (Dir. Hansen, 3,670 votes).  
Total 3,670 votes.

Absent: Compton (Dir. Hall, 338 votes), Upper San Gabriel Valley Municipal Water District (Dir. Fellow, 6,840 votes). Total 7,178 votes.

The Chair declared Agenda Item 8-1, the Diemer North Access Road, passed by a vote of 188,978 ayes, 3,670 abstain, and 7,178 absent.

**47390** Engineering and Capital Programs Committee Chairman Koopman moved, seconded by Director Blake, that the Board adopt the CEQA determination and (a) appropriate \$10.2 million in budgeted funds (Appropriation No. 15376, No. 10, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and (b) authorize the Telephone System Replacement project to implement a Metropolitan managed new VOIP-based system, as set forth in the letter signed by Assistant General Manager/Chief

Operating Officer Man for the General Manager on January 30, 2008.

The Chair called for a vote on the motion to approve replacement of Metropolitan's telephone system.

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

Ayes: Anaheim (Dir. M. Edwards, 3,352 votes), Beverly Hills (Dir. Wunderlich, 1,817 votes), Burbank (Dir. Brown, 1,679 votes), Calleguas Municipal Water District (Dir. Grandson, 7,950 votes), Central Basin Municipal Water District (Dirs. Apodaca and Hawkins, 10,595 votes), Eastern Municipal Water District (Dir. Record, 6,788 votes), Fullerton (Dir. Blake, 1,408 votes), Glendale (Dir. Rez, 2,106 votes), Inland Empire Utilities Agency (Dir. Koopman, 7,982 votes), Las Virgenes Municipal Water District (Dir. Peterson, 1,859 votes), Long Beach (Dir. Hansen, 3,670 votes), Los Angeles (Ayes: Dirs. Grunfeld, J. Murray, and Sutley. Absent: Dir. Quiñonez. 37,539 votes), Municipal Water District of Orange County (Ayes: Dirs. Dick and Foley. Absent: Dir. Bakall. 33,589 votes), Pasadena (Dir. Brick, 1,846 votes), San Diego County Water Authority (Dirs. Barrett, Bond, Parker, and Pocklington, 36,606 votes), San Fernando (Dir. Ballin, 144 votes), San Marino (Dir. Morris, 374 votes), Santa Ana (Dir. Griset, 2,094 votes), Santa Monica (Dir. Abdo, 2,103 votes), Three Valleys Municipal Water District (Dir. De Jesus, 4,771 votes), Torrance (Dir. Wright, 2,053 votes), West Basin Municipal Water District (Aye: Dir. Little. Absent: Dir. W. Murray. 12,760 votes), Western Municipal Water District of Riverside County (Dir. Lopez, 8,366 votes). Total 191,451 votes.

No: Foothill Municipal Water District (Dir. J. Edwards, 1,197 votes). Total 1,197 votes.

Abstain: None.

Absent: Compton (Dir. Hall, 338 votes), Upper San Gabriel Valley Municipal Water District (Dir. Fellow, 6,840 votes). Total 7,178 votes.

The Chair declared Agenda Item 8-2, replacement of Metropolitan's telephone system, passed by a vote of 191,451 ayes, 1,197 no, and 7,178 absent.

Vice Chairman Fellow returned to the Meeting at 1:40 p.m.

Director Brown withdrew from the Meeting at 1:40 p.m.

At 1:41 p.m., Vice Chairman Fellow presided over the Meeting for Chairman Brick when Item 8-3 came up for consideration.

**47391** Engineering and Capital Programs Committee Chairman Koopman moved, seconded by Director Blake, that the Board adopt the CEQA determination and:

(a) Appropriate \$3.94 million in budgeted funds (Appropriation No. 15346, No. 15, for \$146,000; Appropriation No. 15365, No. 16, for \$1,644,000; Appropriation No. 15388, No. 10, for \$1,760,000; and Appropriation No. 15410, No. 9, for \$390,000; all from the Revenue Bonds, Replacement and Refurbishment or General Funds);

(b) Authorize final design of the Skinner Completion Project;

(c) Authorize installation of physical security systems for the new Skinner facilities;

(d) Authorize post-construction and start-up activities for the Skinner Oxidation Retrofit Program;

(e) Authorize the General Manager to execute change orders for the Skinner ozone equipment procurement contract up to an aggregate amount not to exceed \$420,450; and

(f) Authorize an increase of \$1.81 million to the existing agreement with Camp Dresser & McKee, for a new not-to-exceed total of \$22,661,000, as set forth in the letter signed by Assistant General Manager/Chief Operating Officer Man for the General Manager on January 28, 2008.

Vice Chairman Fellow called for a vote on the motion for the major construction program at the Skinner treatment plant.

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

Ayes: Anaheim (Dir. M. Edwards, 3,352 votes), Beverly Hills (Dir. Wunderlich, 1,817 votes), Calleguas Municipal Water District (Dir. Grandsen, 7,950 votes), Central Basin Municipal Water District (Dirs. Apodaca and Hawkins, 10,595 votes), Eastern Municipal Water District (Dir. Record, 6,788 votes), Foothill Municipal Water District (Dir. J. Edwards, 1,197 votes), Fullerton (Dir. Blake, 1,408 votes), Glendale (Dir. Rez, 2,106 votes), Inland Empire Utilities Agency (Dir. Koopman, 7,982 votes), Las Virgenes Municipal Water District (Dir. Peterson, 1,859 votes), Long Beach (Dir. Hansen, 3,670 votes), Los Angeles (Ayes: Dirs. Grunfeld, J. Murray, and Sutley. Absent: Dir. Quiñonez. 37,539 votes), Municipal Water District of Orange County (Ayes: Dirs. Dick and Foley. Absent: Dir. Bakall. 33,589 votes), San Diego County Water Authority (Dirs. Barrett, Bond, Parker, and Pocklington, 36,606 votes), San Fernando (Dir. Ballin, 144 votes), San Marino (Dir. Morris, 374 votes), Santa Ana (Dir. Griset, 2,094 votes), Santa Monica (Dir. Abdo, 2,103 votes), Three Valleys Municipal Water District (Dir. De Jesus, 4,771 votes), Torrance (Dir. Wright, 2,053 votes), Upper San Gabriel Valley Municipal Water District (Dir. Fellow, 6,840 votes), West Basin Municipal Water District (Aye: Dir. Little. Absent: Dir. W. Murray. 12,760 votes), Western Municipal Water District of Riverside County (Dir. Lopez, 8,366 votes). Total 195,963 votes.

No: None.

Abstain: Pasadena (Dir. Brick, 1,846 votes). Total 1,846 votes.

Absent: Compton (Dir. Hall, 338 votes), Burbank (Dir. Brown, 1,679 votes). Total 2,017 votes.

Vice Chairman Fellow declared Agenda Item 8-3, for the major construction program at the Skinner treatment plant, passed by a vote of 195,963 ayes, 1,846 abstain, and 2,017 absent.

Chairman Brick resumed running the Meeting at 1:43 p.m.

Director Brown returned to the Meeting at 1:43 p.m.

**47392** Engineering and Capital Programs Committee Chairman Koopman moved, seconded by Director Blake, that the Board appropriate funds and authorize negotiations for real property for potential use as a future water treatment plant in Riverside County, without an approval to purchase at this time, as referred to in the confidential letter signed by the General Manager on January 23, 2008. Staff will return to the committee after negotiations are complete and request approval to purchase.

The Chair called for a vote on the motion to acquire land for potential use a future water treatment plant in Riverside County.

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

Ayes: Anaheim (Dir. M. Edwards, 3,352 votes), Beverly Hills (Dir. Wunderlich, 1,817 votes), Burbank (Dir. Brown, 1,679 votes), Calleguas Municipal Water District (Dir. Grandsen, 7,950 votes), Central Basin Municipal Water District (Dirs. Apodaca and Hawkins, 10,595 votes), Foothill Municipal Water District (Dir. J. Edwards, 1,197 votes), Fullerton (Dir. Blake, 1,408 votes), Glendale (Dir. Rez, 2,106 votes), Inland Empire Utilities Agency (Dir. Koopman, 7,982 votes), Las Virgenes Municipal Water District (Dir. Peterson, 1,859 votes), Los Angeles (Ayes: Dirs. Grunfeld, J. Murray, and Sutley. Absent: Dir. Quiñonez. 37,539 votes), Municipal Water District of Orange County (Ayes: Dirs. Dick and Foley. Absent: Dir. Bakall. 33,589 votes), San Diego County Water Authority (Dirs. Barrett, Bond, Parker, and Pocklington, 36,606 votes), San Fernando (Dir. Ballin, 144 votes), San Marino (Dir. Morris, 374 votes), Santa Ana (Dir. Griset, 2,094 votes), Santa Monica (Dir. Abdo, 2,103 votes), Three Valleys Municipal Water District (Dir. De Jesus, 4,771 votes), Torrance (Dir. Wright, 2,053 votes), Upper San Gabriel Valley Municipal Water District (Dir. Fellow, 6,840 votes), West Basin Municipal Water District (Aye: Dir. Little. Absent: Dir. W. Murray. 12,760 votes), Western Municipal Water District of Riverside County (Dir. Lopez, 8,366 votes). Total 187,184 votes.

No: None.

Abstain: Eastern Municipal Water District (Dir. Record, 6,788 votes), Long Beach (Dir. Hansen, 3,670 votes). Total 10,458 votes.

Not Participating: Pasadena (Dir. Brick, 1,846 votes). Total 1,846 votes.

Absent: Compton (Dir. Hall, 338 votes). Total 338 votes.

The Chair declared Agenda Item 8-4, acquisition of land for potential use as a future water treatment plant in Riverside County, passed by a vote of 187,184 ayes, 10,458 abstain, 1,846 not participating, and 338 absent.

**47393** Regarding the Water Supply Allocation Plan, Water Planning and Stewardship Committee Chair Sutley stated that this item was amended in committee. Committee Chair Sutley then moved, seconded by Director J. Edwards, that the Board adopt the CEQA determination and approve the proposed Water Supply Allocation Plan and implementation elements with a review date of February 1, 2010, with the following amendments:

1. Review and revisit of Plan elements - The Plan will be reviewed 12 months following a board-directed implementation of a water supply allocation to consider any immediate refinements that are necessary based on lessons learned. The Plan will also be reviewed in the third year following the adoption of the Plan to consider improvements to the Plan;

2. Use of funds collected through penalty rates - Any funds collected will be applied towards investments in conservation and local resources development with the objective of use within the area where the penalties are incurred;

3. Implementation Timing - Clarification to the staff recommendation was made that only the Board enacts an allocation. In no case will a shortage be brought to the Board prior to May 2008, nor intended for implementation before July 2008. Metropolitan staff will participate in any outreach efforts desired by member agencies to support effective implementation; and

4. Penalty and Rate Levels and Penalty Rate Amounts - The breakpoint between the two penalty rate levels will be set at 115%. Penalty rates for use between 100% and 115% of an agency's allocation will be charged a penalty rate of 2 x Tier 2 rate. Penalty rates for use over 115% will be charged a penalty rate of 4 x Tier 2 rate. Clarification was made that the Plan would retain the proposed discount of 1 x Tier 2 rate in recognition of preferential rights;

as set forth in the letter signed by the General Manager on January 31, 2008, and amended by the committee.

Toby B. Moore, Water Resources Manager and Chief Hydrologist of the Golden State Water Company, stated his company was heavily dependent on groundwater resources to meet the need for nearly one million customers within Southern California. He commented on the allocation plan and asked that Metropolitan: take all necessary steps not to implement the plan unless necessary; work with its member agencies, as well as customers, to develop a more reliable water supply; and do everything possible to smooth out any of the proposed rate increases.

Directors M. Edwards and Griset withdrew from the Meeting at 1:50 p.m.

Bill De Witt, Mayor of the City of South Gate, commented on the allocation plan and requested that Metropolitan hold off the implementation of this plan because it disproportionately adversely affects the residents in an area that is not economically rich as in other areas.

Larry Forester, Councilmember from City of Signal Hill, expressed his opposition to Metropolitan's proposed Water Supply Allocation Plan. He urged that the adoption of this plan be delayed.

The Chair called for a vote on the motion to approve the Water Supply Allocation Plan.

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

Ayes: Beverly Hills (Dir. Wunderlich, 1,817 votes), Burbank (Dir. Brown, 1,679 votes), Calleguas Municipal Water District (Dir. Grandsen, 7,950 votes), Eastern Municipal Water District (Dir. Record, 6,788 votes), Foothill Municipal Water District (Dir. J. Edwards, 1,197 votes), Glendale (Dir. Rez, 2,106 votes), Inland Empire Utilities Agency (Dir. Koopman, 7,982 votes), Las Virgenes Municipal Water District (Dir. Peterson, 1,859 votes), Los Angeles (Ayes: Dirs. Grunfeld, J. Murray, and Sutley. Absent: Dir. Quiñonez. 37,539 votes), Municipal Water District of Orange County (Ayes: Dirs. Dick and Foley. Absent: Dir. Bakall. 33,589 votes), San Diego County Water Authority (Dirs. Barrett, Bond, Parker, and Pocklington, 36,606 votes), San Fernando (Dir. Ballin, 144 votes), San Marino (Dir. Morris, 374 votes), Santa Monica (Dir. Abdo, 2,103 votes), Three Valleys Municipal Water District (Dir. De Jesus, 4,771 votes), Torrance (Dir. Wright, 2,053 votes), Upper San Gabriel Valley Municipal Water District (Dir. Fellow, 6,840 votes), West Basin Municipal Water District (Aye: Dir. Little. Absent: Dir. W. Murray. 12,760 votes), Western Municipal Water District of Riverside County (Dir. Lopez, 8,366 votes). Total 176,523 votes.

No: Central Basin Municipal Water District (Dirs. Apodaca and Hawkins, 10,595 votes), Long Beach (Dir. Hansen, 3,670 votes). Total 14,265 votes.

Abstain: Fullerton (Dir. Blake, 1,408 votes). Total 1,408 votes.

Not Participating: Pasadena (Dir. Brick, 1,846 votes). Total 1,846 votes.

Absent: Anaheim (Dir. M. Edwards, 3,352 votes), Compton (Dir. Hall, 338 votes), Santa Ana (Dir. Griset, 2,094 votes). Total 5,784 votes.

The Chair declared Agenda Item 8-5, the Water Supply Allocation Plan, passed by a vote of 176,523 ayes, 14,265 noes, 1,408 abstain, 1,846 not participating, and 5,784 absent.

Director M. Edwards returned to the Meeting at 1:54 p.m.



**47394** On behalf of the Legal and Human Resources Committee, Director J. Edwards moved, seconded by Director J. Murray, that the Board approve the recommendation set forth in the confidential letter signed by the General Counsel on January 28, 2008, in *Victor Alan Gordon v. Metropolitan, et al.*, LASC Case No. BC353932.

The Chair called for a vote on the motion to approve the recommendation in the *Victor Alan Gordon* case.

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

Ayes: Anaheim (Dir. M. Edwards, 3,352 votes), Beverly Hills (Dir. Wunderlich, 1,817 votes), Burbank (Dir. Brown, 1,679 votes), Calleguas Municipal Water District (Dir. Grandsen, 7,950 votes), Central Basin Municipal Water District (Dir. Apodaca, 5,297.5 votes), Eastern Municipal Water District (Dir. Record, 6,788 votes), Foothill Municipal Water District (Dir. J. Edwards, 1,197 votes), Fullerton (Dir. Blake, 1,408 votes), Glendale (Dir. Rez, 2,106 votes), Inland Empire Utilities Agency (Dir. Koopman, 7,982 votes), Long Beach (Dir. Hansen, 3,670 votes), Los Angeles (Ayes: Dirs. Grunfeld, J. Murray, and Sutley. Absent: Dir. Quiñonez. 37,539 votes), Municipal Water District of Orange County (Ayes: Dirs. Dick and Foley. Absent: Dir. Bakall. 33,589 votes), San Diego County Water Authority (Dirs. Barrett, Bond, Parker, and Pocklington, 36,606 votes), San Fernando (Dir. Ballin, 144 votes), San Marino (Dir. Morris, 374 votes), Santa Monica (Dir. Abdo, 2,103 votes), Three Valleys Municipal Water District (Dir. De Jesus, 4,771 votes), Torrance (Dir. Wright, 2,053 votes), Upper San Gabriel Valley Municipal Water District (Dir. Fellow, 6,840 votes), West Basin Municipal Water District (Aye: Dir. Little. Absent: Dir. W. Murray. 12,760 votes), Western Municipal Water District of Riverside County (Dir. Lopez, 8,366 votes). Total 188,391.5 votes.

No: None.

Abstain: Central Basin Municipal Water District (Dir. Hawkins, 5,297.5 votes), Las Virgenes Municipal Water District (Dir. Peterson, 1,859 votes). Total 7,156.5 votes.

Not Participating: Pasadena (Dir. Brick, 1,846 votes). Total 1,846 votes.

Absent: Compton (Dir. Hall, 338 votes), Santa Ana (Dir. Griset, 2,094 votes). Total 2,432 votes.

The Chair declared Agenda Item 8-6, the motion to approve the recommendation in the *Victor Alan Gordon* case, passed by a vote of 188,391.5 ayes, 7,156.5 abstain, 1,846 not participating, and 2,432 absent.

**47395** Water Planning and Stewardship Committee Chair Sutley moved, seconded by Director J. Murray, that the Board adopt the CEQA determination and authorize initial payment of \$5 per acre-foot for 2008 Sacramento Valley water transfers as described in the letter signed by the General Manager on February 5, 2008.

The Chair called for a vote on the motion for 2008 Sacramento Valley water transfers.

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

Ayes: Anaheim (Dir. M. Edwards, 3,352 votes), Beverly Hills (Dir. Wunderlich, 1,817 votes), Burbank (Dir. Brown, 1,679 votes), Calleguas Municipal Water District (Dir. Grandsen, 7,950 votes), Eastern Municipal Water District (Dir. Record, 6,788 votes), Foothill Municipal Water District (Dir. J. Edwards, 1,197 votes), Fullerton (Dir. Blake, 1,408 votes), Glendale (Dir. Rez, 2,106 votes), Inland Empire Utilities Agency (Dir. Koopman, 7,982 votes), Las Virgenes Municipal Water District (Dir. Peterson, 1,859 votes), Long Beach (Dir. Hansen, 3,670 votes), Los Angeles (Ayes: Dirs. Grunfeld, J. Murray, and Sutley. Absent: Dir. Quiñonez. 37,539 votes), Municipal Water District of Orange County (Ayes: Dirs. Dick and Foley. Absent: Dir. Bakall. 33,589 votes), San Diego County Water Authority (Dirs. Barrett, Bond, Parker, and Pocklington, 36,606 votes), San Fernando (Dir. Ballin, 144 votes), San Marino (Dir. Morris, 374 votes), Santa Monica (Dir. Abdo, 2,103 votes), Three Valleys Municipal Water District (Dir. De Jesus, 4,771 votes), Torrance (Dir. Wright, 2,053 votes), Upper San Gabriel Valley Municipal Water District (Dir. Fellow, 6,840 votes), West Basin Municipal Water District (Aye: Dir. Little. Absent: Dir. W. Murray. 12,760 votes), Western Municipal Water District of Riverside County (Dir. Lopez, 8,366 votes). Total 184,953 votes.

No: Central Basin Municipal Water District (Dirs. Apodaca and Hawkins, 10,595 votes). Total 10,595 votes.

Abstain: None.

Not Participating: Pasadena (Dir. Brick, 1,846 votes). Total 1,846 votes.

Absent: Compton (Dir. Hall, 338 votes), Santa Ana (Dir. Griset, 2,094 votes). Total 2,432 votes.

The Chair declared Agenda Item 8-7, the motion for 2008 Sacramento Valley water transfers, passed by a vote of 184,953 ayes, 10,595 noes, 1,846 not participating, and 2,432 absent.

**47396** The following communication was submitted to the Board for information:

- a. Status report for the Inland Feeder Program for activities through December 2007, signed by Assistant General Manager/Chief Operating Officer Man for the General Manager on January 28, 2008.

**47397** Chairman Brick referred the Directors to the article "Drying of the West", published in the February 2008 *National Geographic*, which was distributed to the Board.

Chairman Brick announced that the Board Retreat is scheduled for Saturday, March 29, at the Peter F. Drucker and Masatoshi Ito Graduate School of Management at Claremont Graduate University in Claremont; and on Tuesday, April 1, 2008, at Metropolitan's Headquarters.

**47398** There being no objection, at 2:05 p.m., the Chairman adjourned the Meeting in memory of Board Vice Chair Steve Anderson, and Director Emeritus Edward L. Kussman.

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**JUDY ABDO**  
**SECRETARY**

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**TIMOTHY F. BRICK**  
**CHAIRMAN**