

MINUTES

REGULAR MEETING OF THE

BOARD OF DIRECTORS

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

OCTOBER 12, 2010

48422 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, October 12, 2010.

Chairman Brick called the Meeting to order at 12:07 p.m.

48423 The Meeting was opened with an invocation by Sydney Bennion, Assistant General Counsel, Metropolitan Water District.

48424 The Pledge of Allegiance to the Flag was given by Director Thomas P. Evans.

48425 Board Secretary Abdo called the roll. Those answering present were: Directors Abdo, Ackerman, Ballin, Barbre, Blake, Brick, Brown, De Jesus, Dick, Edwards, Evans, Fellow, Fleming, Foley, Friedman, Grandsen, Gray, Griset, Grunfeld, Hawkins, Lewinger, Little, Lowenthal, Montalvo, Morris, J. Murray, K. Murray, Peterson, Quiñonez, Record, Sanchez, Santiago, Steiner, Wright, and Wunderlich.

Those not answering were: Directors Heidel and Pocklington.

Chairman Brick declared a quorum present.

48426 Chairman Brick invited members of the public to address the Board on matters within the Board's jurisdiction.

Patti Krebs and Nancy Steele requested to speak on Agenda Item 8-3, the adoption of the Integrated Water Resources Plan Update. Chairman Brick suggested that they give their comments when that item is heard on the agenda.

Robert Branch, Security Officer, United Service Workers West, commented on the security service contract to be considered by the Board next month and requested that the Board give consideration to approving union workers.

48427 There being no objection, Chairman Brick ordered the reading of the Minutes of the Meeting for September 14, 2010, dispensed with, a copy having been mailed to each Director.

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

48428 A written report of meetings attended by Directors at Metropolitan expense during the month of September was distributed. Director Blake moved, seconded by Director Edwards and carried, that the report be received and filed.

48429 Chairman Brick presented to Director Edward C. Little a pin for his ten years of service on Metropolitan's Board, representing West Basin Municipal Water District.

48430 Chairman Brick reported there were no new committee assignments. (See M.I. 48437)

48431 Chairman Brick reported on events in which he participated, as follows:

- September 21 - Along with Directors and staff, participated in Metropolitan's presentation of a proclamation to Assemblymember Kevin De Leon to acknowledge his leadership efforts in securing passage of the historic package of comprehensive water legislation last November.
- September 22 - Along with Directors and staff, attended the United Chambers of Commerce of the San Fernando Valley Annual Mayors' Luncheon at the Warner Center Marriott in Woodland Hills, California.

- September 23 - Was the guest speaker at the American Academy of Environmental Engineers dinner and networking seminar held at Metropolitan's Headquarters.
- September 24 - Attended a meeting held at Metropolitan on Sustainable Management of Scarce Water Resources: A Seminar on Planning Processes and Practices in France and in California.
- September 27 - Was the guest speaker at Southern California Edison's 17th Annual Water Conference held in Irwindale, California.
- September 28 - At the invitation of the Canadian Consul General, attended a dinner discussion of the environmental, economic, research and development, and political implications of Proposition 23/AB 32: Implications for California.
- October 2 - Was the guest of honor at TreePeople's annual dinner, "An Evening Under the Harvest Moon", held at the TreePeople Center and Watershed Education Center in Beverly Hills, California.
- October 4-5 - Attended the 2010 SmartWater Innovations conference held in Las Vegas, Nevada; as well as the Alliance for Water Efficiency board meeting also held in Las Vegas.
- October 7 - Was the guest speaker at the American Association of Blacks in Energy Western Regional Conference, "Our Energy Our Time: Building a Green Economy and Environment Through Clean Resources and Workforce Readiness", held at the Westin Hotel in Pasadena, California.
- October 7 - Along with Directors and staff, attended the Southern California Water Committee's annual dinner at the Pacific Palms Resort, City of Industry, California.

Chairman Brick announced that Metropolitan's Headquarters Building won the "2010 Building of the Year Award" in the government building category from the Building Owners and Managers Association of Greater Los Angeles.

Assistant General Manager/CAO Ivey introduced the staff of the Facilities section responsible for the upkeep of the Headquarters Building. The Board acknowledged their presence and thanked the staff for their work in this regard.

Board Vice Chairman J. Murray withdrew from the Meeting at 12:25 p.m.

48432 Chairman Brick reported on the composition of the Executive Committee as considered by the committee at its meeting on September 28, 2010, at which time the Ad Hoc Committee on Governance made its recommendation to the Executive Committee.

Ad Hoc Committee on Governance Chairman De Jesus moved, seconded by Board Vice Chairman Santiago and carried, that the Board approve the following recommendation for the composition of the Executive Committee:

- (I) The Board Chair continue to appoint Board Vice Chairs and that the Executive Committee membership shall include the following (not to exceed 15 members total):
 - (a) Board Chair
 - (b) Board Officers including Board Vice Chairs appointed by the Board Chair and the Board Secretary elected by the Board of Directors
 - (c) Ex Officio members – board members who have previously served as Chair
 - (d) Standing Committee Chairs appointed by the Board Chair
 - (e) Two members elected by the Board of Directors

- (II) Review of duties and functions of the Executive Committee be completed and revisions made simultaneous with any changes to the standing committees and their duties and functions, after the Board Chair elections.

48433 After comments by Board Secretary Abdo, Chairman Brick announced that both he and Director Foley submitted their names as potential candidates for Board Chairman effective January 1, 2011; and at the Executive Committee meeting on September 28, 2010, both candidates gave presentations before the Executive Committee. Chairman Brick stated that Board Vice Chairman J. Murray has since submitted his name for consideration for the election of Board Chairman.

48434 Chairman Brick announced that he would not seek a waiver of Administrative Code Section 2201 regarding term limits for Board Chairman, and therefore would not be a candidate for Board Chairman effective January 1, 2011.

Board Vice Chairman J. Murray returned to the Meeting at 12:29 p.m.

48435 Chairman Brick announced the nominees for the Board Chairmanship for the two-year term commencing January 1, 2011, as follows: Directors John V. Foley and John W. Murray, Jr.

Chairman Brick called for other nominations from the floor. Director Ballin nominated Director Suja Lowenthal, seconded by Director Montalvo, for the Board Chairmanship effective January 1, 2011.

Director Peterson nominated Director John V. Foley, seconded by Director Blake, for the Board Chairmanship effective January 1, 2011.

Director Grunfeld nominated Board Vice Chairman John W. Murray, Jr. for the Board Chairmanship effective January 1, 2011.

A discussion took place on the application of the waiver of Administrative Code Section 2201, the election process, and whether candidates would be given time to make statements followed by a question and answer session.

Board Vice Chairman Santiago then moved, seconded by Director Blake, that the Board proceed straight to voting for the election of the Board Chairman for the two-year term starting January 1, 2011.

The Chair called for a vote on the motion by Board Vice Chairman Santiago to proceed straight to voting for Board Chairman.

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

Ayes: Anaheim (Dir. K. Murray, 3,405 votes), Burbank (Dir. Brown, 1,818 votes), Calleguas Municipal Water District (Dir. Grandsen, 7,870 votes), Central Basin Municipal Water

District (Dirs. Hawkins and Montalvo, 10,798 votes), Compton (Dir. Sanchez, 316 votes), Eastern Municipal Water District (Dir. Record, 5,341 votes), Foothill Municipal Water District (Dir. J. Edwards, 1,278 votes), Fullerton (Dir. Blake, 1,450 votes), Glendale (Dir. Friedman, 2,256 votes), Inland Empire Utilities Agency (Dir. Santiago, 7,988 votes), Las Virgenes Municipal Water District (Dir. Peterson, 1,918 votes), Long Beach (Dir. Lowenthal, 3,731 votes), Los Angeles (Dir. Grunfeld, 9,873 votes), Municipal Water District of Orange County (Dirs. Ackerman, Barbre, Dick, and Foley, 34,418 votes), San Diego County Water Authority (Ayes: Dirs. Lewinger and Steiner. Absent: Dirs. Heidel and Pocklington. 36,545 votes), San Fernando (Dir. Ballin, 144 votes), San Marino (Dir. Morris, 422 votes), Santa Ana (Dir. Griset, 1,966 votes), Three Valleys Municipal Water District (Dir. De Jesus, 4,896 votes), Torrance (Dir. Wright, 2,211 votes), Upper San Gabriel Valley Municipal Water District (Dir. Fellow, 7,263 votes), West Basin Municipal Water District (Dirs. Gray and Little, 13,723 votes), Western Municipal Water District of Riverside County (Dir. Evans, 7,409 votes). Total 167,039 votes.

No: Beverly Hills (Dir. Wunderlich, 2,102 votes), Los Angeles (Dirs. Fleming, J. Murray, and Quiñonez, 29,619 votes), Santa Monica (Dir. Abdo, 2,371 votes). Total 34,092 votes.

Not Participating: Pasadena (Dir. Brick, 2,058 votes). Total 2,058 votes.

Abstain: None.

The Chair declared Board Vice Chairman Santiago's motion adopted by a vote of 167,039 ayes, 34,092 noes, and 2,058 not participating.

The Board again discussed the voting procedure. Director Quiñonez then moved, seconded by Board Vice Chairman Santiago, that the Board recess for twenty minutes. Following further discussion on whether the Board should take this break, Director Quiñonez amended his motion to a recess for ten minutes. The Chair called for a vote on the motion.

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

Ayes: Beverly Hills (Dir. Wunderlich, 2,102 votes), Central Basin Municipal Water District (Dirs. Hawkins and Montalvo, 10,798 votes), Compton (Dir. Sanchez, 316 votes), Inland Empire Utilities Agency (Dir. Santiago, 7,988 votes), Long Beach (Dir. Lowenthal, 3,731 votes), Los Angeles (Dirs. Fleming, Grunfeld, J. Murray, and Quiñonez, 39,492 votes), San Diego County Water Authority (Ayes: Dirs. Lewinger and Steiner. Absent: Dirs. Heidel and Pocklington. 36,545 votes), San Fernando (Dir. Ballin, 144 votes), Santa Ana (Dir. Griset, 1,966 votes), Santa Monica (Dir. Abdo, 2,371 votes), Upper San Gabriel Valley Municipal Water District (Dir. Fellow, 7,263 votes), West Basin Municipal Water District (Dir. Gray, 6,861.5 votes). Total 119,577.5 votes.

No: Anaheim (Dir. K. Murray, 3,405 votes), Burbank (Dir. Brown, 1,818 votes), Calleguas Municipal Water District (Dir. Grandsen, 7,870 votes), Eastern Municipal Water District (Dir. Record, 5,341 votes), Foothill Municipal Water District (Dir. J. Edwards, 1,278 votes), Fullerton (Dir. Blake, 1,450 votes), Glendale (Dir. Friedman, 2,256 votes), Las Virgenes Municipal Water District (Dir. Peterson, 1,918 votes), Municipal Water District of Orange County (Dirs. Ackerman, Barbre, Dick, and Foley, 34,418 votes), San Marino (Dir. Morris, 422 votes), Three Valleys Municipal Water District (Dir. De Jesus, 4,896 votes), Torrance (Dir. Wright, 2,211 votes), West Basin Municipal Water District (Dir. Little, 6,861.5 votes), Western Municipal Water District of Riverside County (Dir. Evans, 7,409 votes). Total 81,553.5 votes

Not Participating: Pasadena (Dir. Brick, 2,058 votes). Total 2,058 votes.

Abstain: None.

The Chair declared Director Quiñonez' motion adopted by a vote of 119,577.5 ayes, 81,553.5 noes, and 2,058 not participating.

At 12:50 p.m., the Chair called for a break.

At 1:00 p.m., the Chair resumed the Meeting.

Chairman Brick announced that the nominees are Directors Foley, J. Murray, and Lowenthal. The vote will be by

electronic voting and the nominee receiving more than 50 percent of the vote will be elected Board Chair for the two-year term effective January 1, 2011.

Board Vice Chairman J. Murray stated that after further consideration and in the best interest of the City of Los Angeles and the Board of Metropolitan Water District, he was withdrawing his candidacy and gave his support to Director Foley.

The Chair called for a vote on the motion by Director Peterson for the election of Board Chairman for a two-year term effective January 1, 2011.

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

VOTES FOR DIRECTOR FOLEY

Anaheim (Dir. K. Murray, 3,405 votes), Beverly Hills (Dir. Wunderlich, 2,102 votes), Burbank (Dir. Brown, 1,818 votes), Calleguas Municipal Water District (Dir. Grandsen, 7,870 votes), Central Basin Municipal Water District (Dir. Hawkins, 5,399 votes), Eastern Municipal Water District (Dir. Record, 5,341 votes), Foothill Municipal Water District (Dir. J. Edwards, 1,278 votes), Fullerton (Dir. Blake, 1,450 votes), Las Virgenes Municipal Water District (Dir. Peterson, 1,918 votes), Los Angeles (Dirs. Fleming, Grunfeld, J. Murray, and Quiñonez, 39,492 votes), Municipal Water District of Orange County (Dirs. Ackerman, Barbre, Dick, and Foley, 34,418 votes), San Marino (Dir. Morris, 422 votes), Santa Ana (Dir. Griset, 1,966 votes), Three Valleys Municipal Water District (Dir. De Jesus, 4,896 votes), Torrance (Dir. Wright, 2,211 votes), Upper San Gabriel Valley Municipal Water District (Dir. Fellow, 7,263 votes), West Basin Municipal Water District (Dirs. Gray and Little, 13,723 votes), Western Municipal Water District of Riverside County (Dir. Evans, 7,409 votes). Total 142,381 votes.

VOTES FOR DIRECTOR LOWENTHAL

Central Basin Municipal Water District (Dir. Montalvo, 5,399 votes), Compton (Dir. Sanchez, 316 votes), Glendale (Dir. Friedman, 2,256 votes), Inland Empire Utilities Agency (Dir. Santiago, 7,988 votes), Long Beach (Dir. Lowenthal, 3,731 votes), San Diego County Water Authority (Dirs. Lewinger and Steiner. Absent: Dirs. Heidel and Pocklington. 36,545 votes), San Fernando (Dir. Ballin, 144 votes), Santa Monica (Dir. Abdo, 2,371 votes). Total 58,750 votes

Not Participating: Pasadena (Dir. Brick, 2,058 votes). Total 2,058 votes.

Following the vote on the first ballot, Chairman Brick announced the tabulation of the votes, with Director Foley receiving 70.07% and Director Lowenthal, 28.91%.

Chairman Brick thereupon requested that it be recorded that Director Foley was elected to the Office of the Chairman of the Board for the 2-year term beginning January 1, 2011.

Director Grunfeld then moved, seconded by Board Secretary Abdo and carried, that the Board approve the election of Director John V. Foley by acclamation.

48436 Chairman Brick announced that the "Water Summit 2020" would be held at Union Station on Wednesday, November 10, 2010, from 9:30 a.m. to 3:00 p.m., where a distinguished cast of speakers will present solutions for the Bay-Delta process and the 2020 conservation program.

Vice Chairman J. Murray withdrew from the Meeting at 1:07 p.m.

Chairman Brick also reminded the Board of the Israeli Innovation Day to be held at Metropolitan on October 27, 2010, which is being sponsored by Metropolitan and the Israeli Economic Mission. Director Grunfeld gave a brief description of what would take place at this event.

Director Friedman withdrew from the Meeting at 1:10 p.m.

48437 Chairman Brick stated he inadvertently skipped over the committee assignments. He therefore appointed Director Sanchez to the Organization and Personnel Committee and the Engineering and Operations Committee.

Director Grunfeld moved, seconded by Director Gray and carried, approving the appointment of Director Sanchez to the above-stated committees.

Vice Chairman J. Murray returned to the Meeting at 1:11 p.m.

48438 Regarding Colorado River, Bay-Delta, and CALFED matters, General Manager Kightlinger referred to the activity report for September dated September 30, 2010, which was posted to the Directors' website.

On behalf of the staff, General Manager Kightlinger expressed their appreciation in working with Chairman Brick, and congratulated Director Foley as the new incoming Chairman of the Board.

General Manager Kightlinger announced that October is Diversity Awareness month and noted the different events taking place at Metropolitan, with a number of interesting speakers invited to participate, such as former State Senator Sheila Kuehl.

48439 Regarding Legal Department activities, General Counsel Tachiki referred to the General Counsel's activity report for September dated October 4, 2010, which was posted to the Directors' website.

On behalf of the Legal Department, General Counsel Tachiki stated it was a pleasure working with Chairman Brick who paid a lot of attention to the legal issues and who has been very supportive of their work. General Counsel Tachiki welcomed incoming Chairman Foley who she had worked with in his prior tenure as Board Chairman.

48440 General Auditor Riss referred to the Audit Department's activity report for the month of September, dated September 30, 2010, which was posted to the Directors' website.

General Auditor Riss thanked Chairman Brick for the leadership he provided him in the Audit Department; and he looked forward to working with incoming Chairman Foley.

General Auditor Riss stated that four reports were issued: (1) Kiewit Pacific Corporation Audit Report; (2) RBF Consulting and Sanborn Map Audit Report; (3) Remarketing Statement for the Water Revenue Refunding Bonds, 2009 Authorization, Series A-2; and (4) Official Statement for the Waterworks General Obligation Refunding Bonds, 2010 Series A.

General Auditor Riss stated that both Items (1) and (2) received an opinion that the areas under audit included those practices usually necessary to provide for a satisfactory internal control structure; whereas the Audit Department assisted in the review of Items (3) and (4) for the refunding bonds.

48441 In the absence of Ethics Officer Elliott, Chairman Brick referred to the activity report for September dated September 30, 2010, which was posted to the Directors' website.

Director Blake moved seconded by Director Foley and carried, and the Board approved the Consent Calendar Items, **M.I. 48442** through **M.I. 48446** as follows:

48442 Adopted the California Environmental Quality Act (CEQA) determination and awarded \$820,103.29 procurement contract to Royal Wholesale Electric for the Skinner Electrical Building Upgrades, as set forth in the letter signed by the General Manager on September 29, 2010.

48443 Adopted the CEQA determinations and (a) appropriated \$510,000 (Appropriation No. 15373, No. 12, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and authorized (b) preliminary design for repair of the Iron Mountain Tunnel; and (3) preliminary design for repair of the San Jacinto Tunnel east entrance adit, as set forth in the letter signed by the General Manager on September 29, 2010.

48444 Adopted the CEQA determination and (a) appropriated \$900,000 (Appropriation No. 15376, No. 13, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and (b) authorized an agreement not to exceed \$875,000 with

X. W., LLC for assignment of FCC clear-channel licenses to support Metropolitan's Emergency Response Communications, as set forth in the letter signed by the General Manager on September 29, 2010.

48445 Adopted the CEQA determinations and (a) appropriated \$1.48 million (Appropriation No. 15436, No. 9, for \$1,090,000; and Appropriation No. 15440, No. 10, for \$390,000, both from the Revenue Bonds, Replacement and Refurbishment or General Funds); (b) awarded \$710,000 contract to Unispec Construction, Inc. to rehabilitate the Diemer Emergency Broadcast System; and (c) authorized final design to rehabilitate the Weymouth Emergency Broadcast System, as set forth in the letter signed by the General Manager on September 29, 2010.

48446 Adopted the CEQA determination and (a) appropriated \$790,000 (Appropriation No. 15438, No. 11, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and (b) authorized final design to replace 230 kV disconnect switches at the Colorado River Aqueduct pumping plants, as set forth in the letter signed by the General Manager on September 29, 2010.

48447 Real Property and Asset Management Committee Chairman Hawkins moved, seconded by Director Grunfeld and carried, that the Board adopt the CEQA determination and authorize entering into an option agreement for lease of Metropolitan's 6,640-acre Palo Verde Mesa property for a renewable energy project, subject to project approvals, as set forth in the confidential letter signed by the General Manager on September 21, 2010.

48448 Water Planning and Stewardship Committee Chair Steiner moved, seconded by Director Fleming, that the Board adopt the CEQA determination and the Resolution of the Board of Directors (**Resolution 9116**), giving notice of potential discontinuance of service of Interim Agricultural Water Program water in 2011 and 2012, as set forth in the letter signed by the General Manager on September 29, 2010, said resolution entitled:

RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA DIRECTING THE GIVING OF NOTICE OF POTENTIAL DISCONTINUANCE OF SERVICE OF SURPLUS WATER IN 2011-2012

The Chair called for a vote on the motion.

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

Ayes: Anaheim (Dir. K. Murray, 3,405 votes), Beverly Hills (Dir. Wunderlich, 2,102 votes), Burbank (Dir. Brown, 1,818 votes), Calleguas Municipal Water District (Dir. Grandsen, 7,870 votes), Central Basin Municipal Water District (Dirs. Hawkins and Montalvo, 10,798 votes), Compton (Dir. Sanchez, 316 votes), Foothill Municipal Water District (Dir. J. Edwards, 1,278 votes), Fullerton (Dir. Blake, 1,450 votes), Inland Empire Utilities Agency (Dir. Santiago, 7,988 votes), Las Virgenes Municipal Water District (Dir. Peterson, 1,918 votes), Long Beach (Dir. Lowenthal, 3,731 votes), Los Angeles (Dirs. Fleming, Grunfeld, J. Murray, and Quiñonez, 39,492 votes), Municipal Water District of Orange County (Dirs. Ackerman, Barbre, Dick, and Foley, 34,418 votes), San Diego County Water Authority (Ayes: Dirs. Lewinger and Steiner. Absent: Dirs. Heidel and Pocklington. 36,545 votes), San Fernando (Dir. Ballin, 144 votes), San Marino (Dir. Morris, 422 votes), Santa Ana (Dir. Griset, 1,966 votes), Santa Monica (Dir. Abdo, 2,371 votes), Three Valleys Municipal Water District (Dir. De Jesus, 4,896 votes), Torrance (Dir. Wright, 2,211 votes), Upper San Gabriel Valley Municipal Water District (Dir. Fellow, 7,263 votes), West Basin Municipal Water District (Dirs. Gray and Little, 13,723 votes), Western Municipal Water District of Riverside County (Dir. Evans, 7,409 votes). Total 193,534 votes.

No: Eastern Municipal Water District (Dir. Record, 5,341 votes). Total 5,341 votes.

Not Participating: Pasadena (Dir. Brick, 2,058 votes). Total 2,058 votes.

Abstain: None.

Absent: Glendale (Dir. Friedman, 2,256 votes). Total 2,256 votes).

The Chair declared **Resolution 9116** adopted by a vote of 193,534 ayes, 5,341 no, 2,058 not participating, and 2,256 absent, representing more than the required two-thirds vote.

48449 IRP Steering Committee Chairman Brick invited members of the public to comment on the 2010 Integrated Water Resources Plan (IRP) Update.

Patti Krebs of the Industrial Environmental Association expressed concern on the section of the IRP that creates a new buffer supply and the uncertainty that this buffer would result in supplies being developed ahead of actual supply needs. Ms. Krebs also commented on the potential of significant increase in water rates.

Nancy Steele, executive director of the Los Angeles and San Gabriel Rivers Watershed Council, commended Metropolitan on the development of the IRP to improve reliability by promoting conservation local supplies and local storage. Ms. Steele stated that the council supported the adaptive management approach of the plan to provide flexibility required for sustainable water management in Southern California.

Director Lewinger stated that the San Diego County Water Authority would be voting no on this item pursuant to his reasons expressed at the Water Planning and Stewardship Committee meeting. Director Lewinger referred to the letter from San Diego County Water Authority sent to Board Chairman Brick dated October 11, 2010, regarding Agenda Item 8-3 where the Authority expressed its opposition to the adoption of the 2010 Integrated Resources Plan Update, and he requested that this letter be entered into the record.

IRP Steering Committee Chairman Brick moved, seconded by Director Record and carried, that the Board adopt the CEQA determination and the 2010 Integrated Resources Plan Update, as set forth in the letter signed by the General Manager on September 29, 2010.

Directors Lewinger and Steiner requested to be recorded as voting no.

48450 Legal and Claims Committee Chairman Quiñonez moved, seconded by Board Vice Chairman J. Murray and carried, that the Board adopt the CEQA determination and authorize an increase of \$500,000 for a total of \$600,000 in maximum amount payable under contract with Latham & Watkins LLP to represent Metropolitan in

the Central Valley Regional Water Quality Control Board permit proceedings for the Sacramento Regional County Sanitation District's Wastewater Treatment Plant, as set forth in the confidential letter signed by the General Counsel on October 5, 2010.

Director Fleming requested to be recorded as abstaining and that the record show he did not participate in the discussion of this item.

48451 Organization and Personnel Committee Chairman J. Murray moved, seconded by Director Barbre, that the Board adopt the CEQA determination and authorize the General Manager under Administrative Code Sections 6101(m) and (n) to enter into a successor Memorandum of Understanding (MOU) with the Association of Confidential Employees (ACE), as set forth in the letter signed by the General Manager on September 29, 2010.

Following comments made regarding the ACE MOU, Director Edwards offered an amendment to the motion, seconded by Director Blake, that a sentence be added to the main motion to read that ACE would have the "most-favored-nation" status by choosing the provisions from only one of the other three MOUs that are still in the negotiation process.

The Chair called for a vote on the amended motion by Director Edwards, which did not carry.

The Chair then called for a vote on the main motion by Organization and Personnel Committee Chairman J. Murray, which carried.

Directors Blake, Brown, Edwards, and Little requested to be recorded as voting no.

48452 Legal and Claims Committee Chairman Quiñonez moved, seconded by Director Blake and carried, that the Board adopt the CEQA determination and authorize an increase of \$8,800 in the maximum amount payable in the contract with Construction Management Services to an amount not to exceed \$238,800, for services in *Foxfire Constructors, Inc. v. W. A. Rasic Construction Company, et al.*, Superior Court of Orange County Case No. 30-2009-00118788, as set forth in the letter signed by the General Counsel dated September 29, 2010.

48453 There being no objection, the Chairman adjourned the Meeting at 1:34 p.m.

JUDY ABDO
SECRETARY

TIMOTHY F. BRICK
CHAIRMAN