

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

REAL PROPERTY AND ASSET MANAGEMENT COMMITTEE

June 28, 2011

Real Property and Asset Management Committee Chair Hawkins called the meeting to order at 12:45 p.m. in Committee Room 2-145 at Metropolitan's Headquarters.

Committee Members present: Chair Hawkins, Directors Grunfeld, Heidel, Little, Record, and Wunderlich

Members absent: Vice Chair Grandsen and Director K. Murray

Other Board Members present: Directors Bowersox, Brick, Edwards, Evans, Foley, Lewinger, Little, Morris, Peterson, Steiner, and Wright

Staff present: Bennion, Clairday, DeBacker, P. Fowler, Hicks, Hom, Ivey, Kightlinger, N. Luna, L. Martinez, Neal, Pelligrini, F. Sanchez, Scully, Wicke, A. Wright, Wynn and Young

1. OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE COMMITTEE ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION

Kevin Christy of Sun Edison, formerly Axio Power, gave a status update on the option to lease land at Diamond Valley Lake for developing a solar photovoltaic energy project. He stated that Axio Power was acquired at the end of May 2011 by Sun Edison, and is the largest solar energy provider in the world. The merger would allow for greater access to a larger balance sheet and construction experience, as well as allow for the project to be completed in a timely fashion and at a competitive price. They have also submitted an interconnection application to Southern California Edison.

2. APPROVAL OF THE MINUTES OF THE MEETING OF THE REAL PROPERTY AND ASSET MANAGEMENT COMMITTEE HELD APRIL 26, 2011

Approved

Motion: Director Grunfeld

Seconded: Director Record

3. BOARD INFORMATION ITEMS

9-1 Subject: Draft policy principles for managing Metropolitan's real property assets

Presented by: Ralph Hicks, Manager
Real Property Development and Management Group

Mr. Hicks spoke of the draft policy principles that would allow Metropolitan to obtain fair market value for Metropolitan's real property, unless there is a direct benefit to Metropolitan's mission. All real estate transactions shall be reported to the Real Property and Asset Management committee in a written quarterly report. Input received from the Committee will be incorporated into the draft policy principles, which will be considered for adoption at the July 26 committee meeting and the August 16 Board meeting.

4. COMMITTEE ITEMS

a. Subject: Oral report on draft Palo Verde land RFP

Presented by: Jill Wicke, Assistant Manager
Real Property Development and Management Group

Ms. Wicke presented a PowerPoint on the draft request for proposal (RFP) on the HayDay farm lease. She explained moving forward with the RFP will allow the market to be tested for maximizing income and reducing the maintenance costs on this property.

5. MANAGEMENT REPORT

Mr. Hicks gave an overview of Real Property Development and Management's accomplishments which included the escrow closing documents that will be executed for the Arrow Highway property in the city of La Verne. He stated that the city of Riverside has made an offer to purchase the Box Springs Feeder right-of-way. This item will be brought to the committee in July.

The first class of the Western Science Center Academy has graduated. This program has been a tremendous success. He also informed the committee that discussions have been made with a private developer to bring a private college to Diamond Valley and documents have been executed for an agreement that has been made with Angel View. Revenue generated at the close of this fiscal year will be \$13 million. Mr. Hicks recognized staff for their efforts and hard work put into this year's accomplishments.

6. FUTURE AGENDA ITEMS

The offer for the purchase of the Box Springs Feeder right-of-way will be presented at the Real Property and Asset Management committee meeting in July.

Meeting adjourned at 1:36 p.m.

Phillip Hawkins
Chair