

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF
MONTEBELLO LAND AND WATER COMPANY**

A regular meeting of the Board of Directors of Montebello Land and Water Company was held at 9:00 a.m. on Tuesday, June 14, 2011, at the Company's office located at 344 E. Madison Ave., Montebello, California. The meeting was attended by President Shaffer, and Board Members Akashi, Burke, Jugan and Kayiran. Mr. Burke acted as Secretary for the meeting. Joseph P. Buchman of Burke, Williams & Sorensen, LLP was also present.

The meeting was called to order by President Shaffer at approximately 9:07 a.m.

After review of the Minutes of the Meeting of the Board of Directors of May 10, 2011, on approval of the motion by Mr. Kayiran, seconded by Mr. Jugan, the same were approved.

After review of the Monthly Bills, on approval of the motion by Mr. Akashi, seconded by Mr. Burke, the same were approved for payment.

Following review of the Monthly Operating Statement, Monthly Leak Report, Monthly Production Reports, and Bi-Monthly Billing for Consumers, on approval of the motion by Mr. Akashi, seconded by Mr. Jugan, these were ordered filed.

First, the Board reviewed the May 2011 Pension Plan Investment Report. Following discussion, the Board accepted the report without action.

Next, the Board discussed the Company's Defined Benefit Pension Plan and Life Insurance. Following discussion, the Board directed Mr. Buchman to prepare or obtain a report from Qualified Benefits, Inc. regarding the parameters of the Death Benefit under the Pension Plan.

At the request of the President, General Manager Kenneth S. Bradbury then joined the meeting.

Next, the Board reviewed the AKM Consulting Engineers 2010 Urban Water Management Plan (the "Plan"). Mr. Kayiran presented the Plan and answered questions asked by the Board. Following discussion, the Board found that the Plan (1) satisfied all applicable requirements, and (2) that a duly noticed public hearing had been conducted. On the motion duly made and seconded, the Plan was approved. Mr. Kayiran did not participate in the vote. The Board directed Mr. Bradbury to submit the Plan to the Department of Water Resources.

Next, Mr. Bradbury presented revised Company billing statement to implement the Board-approved surcharge for water delivered after July 1, 2011, to passthrough the increase in the replenishment assessment equal to \$.09 per ccf. Following discussion, on the motion duly made and seconded, the Board approved the revised Company billing statement.

Next, Mr. Bradbury presented an update on the Morris Place Pipeline Project. The Project replaced 1,550 feet of 4" steel water main with 6" ductile iron pipe, 33 one-inch services, one 2" blow-off, and two 6" fire hydrants on Madison Avenue (between Wilcox Ave. and Morris Pl), on Morris Place (between Madison Ave. and Harding Ave.), and on Harding Avenue (between Morris Pl. and Wilcox Ave.). The Project was completed June 8, 2011. The total cost is anticipated to be slightly less than the estimated cost of \$294,922.33. Following discussion, the Board accepted the report without action.

Next, Mr. Bradbury provided the Board with an update on the repairs being made to Well No. 12. Mr. Bradbury explained that due to increased system pressure requirements which have been put into place since the well was first designed; the horsepower for the well motor will need to be higher than the motor being replaced. Following discussion, on the motion duly made and seconded, the Board approved Mr. Bradbury's recommended changes to the original repair plan.

Next, Mr. Buchman provided the Board with an update on the status of Assembly Bill 54 regarding mutual water companies. Following discussion, the Board accepted the report without action.