

MINUTES

REGULAR MEETING OF THE

BOARD OF DIRECTORS

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

SEPTEMBER 11, 2007

47210 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, September 11, 2007.

Chairman Brick called the Meeting to order at 12:02 p.m.

47211 The Meeting was opened with an invocation by Les Card, Chief Executive Officer of LSA Associates, Inc., an employee-owned environmental planning consulting company.

47212 The Board observed a moment of silence in memory of all those who perished in the terrorist attacks on the United States on September 11, 2001.

47213 The Pledge of Allegiance to the Flag was given, led by Director Gene Koopman.

47214 Board Secretary Abdo called the roll. Those answering present were: Directors Abdo, Anderson, Apodaca, Ballin, Barrett, Blake, Bond, Brick, Brown, De Jesus, Dick, J. Edwards, M. Edwards, Fellow, Foley, Grandsen, Griset, Grunfeld, Hall, Hansen, Koopman, Little, J. Murray, Mylne, Pace, Parker, Peterson, Pocklington, Record, Rez, Sutley, Wright, and Wunderlich.

Those not answering were: Directors Bakall, W. Murray (entered 12:35 p.m.), and Quiñonez.

Chairman Brick declared a quorum present.

47215 Chairman Brick invited members of the public to address the Board on matters within the Board's jurisdiction. No members of the public responded.

Mr. A. G. Kawamura, Secretary, California Department of Food and Agriculture, addressed the Board and discussed the state's role in confronting infrastructure challenges, climate change, water supplies, resource depletion, and invasive species. Secretary Kawamura discussed with the Board the challenges and opportunities that face us today.

47216 There being no objection, Chairman Brick ordered the reading of the Minutes of the Meetings for August 14 and 21, 2007, dispensed with, copies having been mailed to each Director.

Director Hall moved, seconded by Vice Chairman Fellow and carried, approving the foregoing Minutes as mailed.

47217 A written report of meetings attended by Directors at Metropolitan expense during the month of August was distributed.

47218 The General Counsel's letter signed August 30, 2007, was presented, transmitting the credentials evidencing the appointment by the City of San Fernando of Sylvia Ballin as its representative on Metropolitan's Board for an indefinite term, replacing Steven Veres.

General Counsel Tachiki reported the credentials had been examined and found legally sufficient, and that the Oath of Office had been administered to Director Ballin on September 5, 2007.

The Chair ordered the credentials, together with the General Counsel's letter, received and filed. Following an introduction by Gilbert Ivey, Assistant General Manager/Chief Administrative Officer, Director Ballin took her seat as a Metropolitan Director representing the City of San Fernando.

Director M. Edwards withdrew from the Meeting at 12:30 p.m.

47219 Director Hall moved, seconded by Director Blake and carried, approving the recommendation of the Chairman to assign Director Ballin to the Legal and Human Resources Committee and the Communications and Legislation Committee.

Director W. Murray took his seat at 12:35 p.m.

47220 Chairman Brick reported on events in which he participated, as follows:

- August 17 - Along with Director Record and AGM/CAO Ivey, attended the Valley-Wide Recreation and Park District's Diamond Valley Lake Community Park Phase 2 groundbreaking ceremony in Hemet.
- August 23 - Attended the joint State Water Resources Control Board/Department of Water Resources meeting titled "Water Policy through a Carbon Lens" in Sacramento, where he was the guest speaker.
- August 27 - Attended the International Ozone/Ultraviolet Association's World Congress in Los Angeles, where he was the keynote speaker.
- August 29 - Attended the Upper San Gabriel Valley Municipal Water District's latest phase of the San Gabriel Recycling Program at South El Monte High School, where he was the guest speaker.
- September 6 - Participated in the Engineering and Capital Programs Committee Inspection Trip, which included tours of the Diemer and Weymouth treatment plants, and San Bernardino Valley Municipal Water District's Central Feeder/Inland Feeder intertie.
- September 6 - Chairman Brick announced that both Director Jim Barrett and AGM/CAO Ivey were invited to speak on Metropolitan's behalf regarding Bay-Delta issues at the San Diego Chamber of Commerce.

Chairman Brick commented on the water conditions that Metropolitan is facing with the drought on the Colorado River, the second driest conditions in the eastern Sierra Nevada, and the environmental collapse in the Bay-Delta system, plus the

Quagga mussels invasion throughout the distribution system. Chairman Brick saluted those Directors, staff, and consultants who have been instrumental in getting the Governor and the Legislature to face the challenges in the Delta.

Director M. Edwards returned to the Meeting at 12:40 p.m.

47221 Regarding Colorado River, Bay-Delta, and CALFED matters, General Manager Kightlinger referred to the activity report for August dated August 31, 2007, which was distributed earlier.

General Manager Kightlinger reported on staff's extensive time spent in Sacramento on water bond matters and the end-of-session water bills.

General Manager Kightlinger announced the following: A Climate Change Workshop sponsored by the Water Education Foundation and the Department of Water Resources will be held on October 3 in Santa Monica; the receipt of two awards by Metropolitan, one for its Headquarters as the Office Building of the Year, and the other for Achievement of Excellence in Procurement. The General Manager thanked the managers and their staffs for their excellent work – Ronald Wheeler, Facilities Services Manager; and Michael Kolodisner, Contracting Services Manager.

General Manager Kightlinger reported that during August, one of the hottest months this year, water sales were extremely high, but the Skinner plant was running very comfortably due to the completion of the expansion of Skinner Module 7. Mr. Kightlinger further reported that the Inland Feeder is ahead of schedule from the projection stated to the Board; and that drilling of the Arrowhead East Tunnel should be completed by spring, with the Arrowhead West Tunnel hole-through in late 2008/09.

Water Planning and Stewardship Committee Chair Sutley reported that since the meeting of the Communications and Legislation earlier this morning, the Assembly passed SB 1002, the Water Quality, Flood Control and Wildlife bill; and the Senate passed AB 1481 on water recycling. Committee Chair

Sutley stated that AB 1481 was sponsored by both the City of Los Angeles and Metropolitan, and thanked Kathy Cole for her incredible assistance with AB 1481.

47222 Regarding Legal Department activities, General Counsel Tachiki referred to the General Counsel's activity report for August dated August 31, 2007, which was distributed earlier.

General Counsel Tachiki stated that at the Legal and Human Resources Committee earlier this morning, there was extensive discussion on many of the current issues. Ms. Tachiki had nothing further to report.

47223 General Auditor Riss presented a report of the Audit Department's activities for the month of August, dated August 31, 2007. He stated that four Audit Reports were issued during the month. Specifically he noted that the Courion Identity Management System Audit Report, the Property and Plan Audit Report, the Employee and Director Expense Audit Report, and the Brutoco Contract No. 1614 Audit Report were issued during the month, all issued with a generally satisfactory opinion.

General Auditor Riss then commented on the Director Expense Audit Report, which showed that the number of expense reports submitted beyond the 60-day guideline decreased by nine percent from 54 percent in the previous year to 45 percent during this audit period.

47224 Ethics Officer Elliott referred to the activity report for August dated August 31, 2007, which was distributed earlier.

Ethics Officer Elliott gave a brief report on the Ethics Dinner-Discussion event held last evening, with Gil Garcetti as the guest speaker. There were 46 attendees, including 14 Directors. Mr. Garcetti showed photographs from his new book titled "Water is Key" and talked about the incredible impact safe water makes for villages in West Africa. Dr. Elliott commented on Chairman Brick's description of the World Water Forum College Grant Program, which has a potential of bringing new and needed technology to water-stressed regions. Dr. Elliott stated that Directors would receive a copy of Mr. Garcetti's book at next month's Board meeting.

Director Pace moved, seconded by Director Blake and carried, and the Board approved the Consent Calendar Items, **M.I. 47225** through **M.I. 47228**, as follows:

47225 Adopted the California Environmental Quality Act (CEQA) determination and (a) appropriated \$915,000 in budgeted funds (Appropriation No. 15346, No. 14, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and (b) authorized final design, procurement and construction of the Skinner Chlorination Capacity Increase project, as set forth in the letter signed by the General Manager on August 23, 2007.

47226 Adopted the CEQA determination and (a) appropriated \$588,000 in budgeted funds (Appropriation No. 15441, No. 4, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and (b) authorized seven distribution system rehabilitation projects:

- Final design and construction of pavement repair at Olinda Pressure Control Facility;
- Final design of an access road to the Temescal Power Plant;
- Final design to rehabilitate the east screening structure on the San Diego Canal;
- Preliminary design to rehabilitate the west screening structure on the San Diego Canal;
- Final design of a cathodic protection system for the Upper Feeder;
- Preliminary design of a cathodic protection system for the West Valley Feeder No. 2; and
- Preliminary design for the repair of six pipe segments on the Box Springs Feeder;

as set forth in the letter signed by Assistant General Manager/Chief Operating Officer Man for the General Manager on August 24, 2007.

47227 Adopted the CEQA determination and (a) appropriated \$1.01 million in budgeted funds (Appropriation No. 15376, No. 9, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and (b) authorized final design and construction of upgrades to the IT Disaster Recovery Facility at Lake Mathews,

as set forth in the letter signed by the General Manager on August 28, 2007.

47228 Adopted the CEQA determination and **Resolution 9040** accepting \$2 million in Proposition 50 state grants for High Efficiency Clothes Washer Program, as set forth in the letter signed by Assistant General Manager/Chief Operating Officer Man for the General Manager on August 24, 2007, said resolution entitled:

RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA ACCEPTING FUNDING PURSUANT TO THE WATER USE EFFICIENCY GRANTS OF THE WATER SECURITY, CLEAN DRINKING WATER, COASTAL AND BEACH PROTECTION ACT OF 2002 (CHAPTER 7, SECTION 79550(g) OF PROPOSITION 50) FOR HIGH EFFICIENCY CLOTHES WASHER REBATE PROGRAM TARGETING WATER FACTOR 5.0 OR BETTER

47229 Engineering and Capital Programs Committee Chairman Koopman moved, seconded by Director Blake and carried, and the Board adopted the CEQA determination and (a) appropriated \$7.33 million in budgeted funds (Appropriation No. 15373, No. 11, for \$5,480,000; Appropriation No. 15374, No. 8, for \$760,000; Appropriation No. 15384, No. 5, for \$420,000; and Appropriation No. 15385, No. 5, for \$670,000, all from the Revenue Bonds, Replacement and Refurbishment or General Funds); (b) awarded a \$3,382,110 contract to Abhe & Svoboda, Inc., for rehabilitation of the Colorado River Aqueduct (CRA); and (c) authorized five CRA reliability projects:

- Final design to replace access structure, transition structure, and manhole covers;
- Final design of the Desert Water Tanks Access and Safety Improvements project;
- Preliminary design of the Desert Pump Plant Oil Containment project;
- Desert Sewer System Rehabilitation study; and
- Preliminary design to rehabilitate the Danby transmission towers foundations;

as set forth in the letter signed by the Assistant General Manager/Chief Operating Officer Man for the General Manager on August 24, 2007.

47230 Engineering and Capital Programs Committee Chairman Koopman moved, seconded by Director Blake and carried, and the Board adopted the CEQA determination and (a) appropriated \$3.95 million in budgeted funds (Appropriation No. 15427, No. 6, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and (b) awarded a \$2,147,500 construction contract to Brutoco Engineering and Construction, Inc. for Phase 2 of the Rialto Pipeline Improvement Program, as set forth in the letter signed by the General Manager on August 23, 2007.

47231 Water Quality and Operations Committee Chairman Brown moved, seconded by Director Grunfeld and carried, and the Board adopted the CEQA determination and (a) appropriated \$5.91 million (Appropriation No. 15447, from the Revenue Bonds, Replacement and Refurbishment or General Funds) for the Quagga Mussel Control Program; and authorized (b) design and construction of interim chlorination facilities at Copper Basin and Lake Mathews; (c) conceptual and preliminary design of permanent chlorination facilities at Copper Basin, Lake Mathews, and Diamond Valley Lake; (d) conceptual design of isolation barriers at Intake pumping plant and at strategic locations along the Colorado River Aqueduct; and (e) increase of \$425,000 to the existing agreement with Environmental Science Associates, for a new not-to-exceed total of \$670,000, as set forth in the letter signed by the General Manager on August 28, 2007.

47232 Water Planning and Stewardship Committee Chair Sutley moved, seconded by Director Blake and carried, and the Board adopted the CEQA determination and conveyance criteria for implementation of Long-Term Delta Plan, as described in the revised board letter signed by Assistant General Manager/Chief Operating Officer Man for the General Manager on September 7, 2007.

47233 On behalf of the Legal and Human Resources Committee, Director J. Murray reported that the committee heard a report on the *Cargill* case and recommended that the Board authorize the settlement proposed regarding attorneys' fees. Director J. Murray therefore moved, seconded by Director Blake and carried, approving the committee's recommendation in *Dewayne Cargill, et al. v. Metropolitan*, LASC Case No. BC191881, (consolidated with LASC Case Nos. BC194444 and BS052318).

47234 On behalf of the Legal and Human Resources Committee, Director J. Murray moved, seconded by Director Bond and carried, and the Board adopted the CEQA determination and authorized an increase of \$200,000 for a total of \$500,000 in maximum amount payable under contract with Best Best & Krieger to represent Metropolitan in Endangered Species Act litigation impacting the State Water Project (*Watershed Enforcers a project of California Sportsfishing Protection Alliance v. L. Ryan Broddrick and California Department of Fish and Game; California Department of Water Resources and Lester A. Snow real parties in interest*, Alameda County Superior Court Case No. RG07326290; *Watershed Enforcers v. California Department of Water Resources*, Alameda County Superior Court Case No. RG06292124; *Pacific Coast Federation of Fishermen's Assoc., et al. v. Carlos M. Gutierrez, et al.*, USDC Case No. 1:06-CV-00245 OWW LJO; and *Natural Resources Defense Council v. Kempthorne*, USDC Case No. 1:05-CV-01207 OWW LJO), as set forth in the confidential letter signed by the General Counsel on August 29, 2007.

47235 The following communications were submitted to the Board for information:

- a. Status report for the Inland Feeder Program for activities through July 2007, signed by the General Manager on August 23, 2007.
- b. Report on Innovative Conservation Program grant recipients, signed by the General Manager on August 23, 2007.

47236 There being no objection, the Chairman adjourned the Meeting at 12:55 p.m.

JUDY ABDO

SECRETARY

TIMOTHY F. BRICK

CHAIRMAN