

**MINUTES**

**REGULAR MEETING OF THE**

**BOARD OF DIRECTORS**

**THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

**March 9, 2010**

**48180** 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, March 9, 2010.

Chairman Brick called the Meeting to order at 12:11 p.m.

**48181** The Meeting was opened with an invocation by former California State Senator John Lewis.

**48182** The Pledge of Allegiance to the Flag was given by Director Larry Dick.

**48183** Board Secretary Abdo called the roll. Those answering present were: Directors Abdo, Ackerman, Arceneaux, Ballin, Barrett, Blake, Brick, Brown, De Jesus, Dick, Edwards, Evans, Fellow, Fleming, Foley, Friedman, Grandsen, Gray, Griset, Grunfeld, Hawkins, Lewinger, Little, Lowenthal, Morris, J. Murray, K. Murray, Peterson, Pocklington, Record, Santiago, Steiner, Vasquez, Wright, and Wunderlich.

Those not answering were: Directors Barbre and Quiñonez (entered 1:06 p.m.).

Chairman Brick declared a quorum present.

**48184** Chairman Brick invited members of the public to address the Board on matters within the Board's jurisdiction.

A Certificate of Recognition was presented to Metropolitan by Arpie and Alan Zavian of Planetbids for "Breaking Barriers in Government Contracting".

Stephen Maguin, Chief Engineer and General Manager, Sanitation Districts of Los Angeles County, expressed support for Agenda Item 8-5 regarding the Joint Groundwater Replenishment Study and urged the Board to also support the project.

**48185** There being no objection, Chairman Brick ordered the reading of the Minutes of the Meeting for February 9, 2010, dispensed with, a copy having been mailed to each Director.

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

**48186** A written report of meetings attended by Directors at Metropolitan expense during the month of February was distributed.

Directors De Jesus, Fellow, Morris and Santiago noted they were not in attendance at the San Gabriel Basin Water Quality Authority's meeting on February 17, 2010, in Baldwin Park.

**48187** Chairman Brick presented to Director John Morris a pin for his 20 years of service on Metropolitan's Board, representing the City of San Marino.

**48188** Chairman Brick reported there were no new committee assignments.

**48189** Chairman Brick reported on events in which he participated, as follows:

- February 17 - Attended a luncheon with several Directors, Metropolitan staff, and Senator Dianne Feinstein at the Courtyard Marriott in Baldwin Park, sponsored by the San Gabriel Valley Economic Partnership & San Gabriel Basin Water Quality Authority.

- March 9 - Along with Blue Ribbon Committee Chairman Simonds, hosted a reception for the Blue Ribbon Committee members in Metropolitan's Courtyard Café.

Chairman Brick reported that Brad Udall, William Patzert, and Michael D'Antuono have agreed to serve on the Blue Ribbon Committee.

Chairman Brick announced there will be a Chairman's Bike Ride on Saturday, April 17, 2010, at Diamond Valley Lake (DVL) from 8 a.m. to 12 noon, followed by lunch at the DVL Visitors Center. Valley-Wide Recreation and Park District will open its aquatic center for swimming.

Chairman Brick announced that Director Kristine Murray was honored as Legislative Woman of the Year for the 68th Assembly District in appreciation of her outstanding community services to Orange County.

**48190** Chairman Brick stated that Agenda Item 9-3, Conference with Labor Negotiators, would be taken up at this time.

At 12:32 p.m., pursuant to Government Code Section 54956.9(a), the Board went into closed session to discuss the Conference with Labor Negotiators.

Director Quiñonez withdrew from the Meeting at 1:06 p.m.

At 1:25 p.m., the Meeting was called into open session, and Chairman Brick reported that in closed session the negotiators were given instructions.

Director Arceneaux withdrew from the Meeting at 1:25 p.m.

**48191** Chairman Brick gave a background of the Blue Ribbon Committee (BRC) and the reason for its formation. He stated that Robert Simonds, Chair of the BRC, and himself would work closely with General Manager Kightlinger to define the scope of the committee. Also, the staff has developed position papers on the six key areas identified in the board letter.

Chairman Brick reported that the committee would work with an outside consultant to facilitate the committee meetings; and the consultant would provide facilitation and research services to support the committee. After completion of the Request for Qualifications process, the RAND Corporation was selected as the most qualified consultant to provide the services supporting the BRC. Chairman Brick noted that the RAND Corporation would work collaboratively with Metropolitan staff to provide information to the committee.

Director Griset moved, seconded by Director Blake and carried, that the Board adopt the California Environmental Quality Act (CEQA) determination and authorize entering into an agreement with RAND Corporation for consulting services relating to the Blue Ribbon Committee, not to exceed \$300,000, as set forth in the letter signed by the Chairman of the Board on March 4, 2010.

Directors Barrett, Evans, Lewinger, Lowenthal, Pocklington, Record, and Steiner requested to be recorded as voting no.

**48192** Regarding Colorado River, Bay-Delta, and CALFED matters, General Manager Kightlinger referred to the activity report for February dated February 28, 2010, which was posted to the Directors' Web site.

General Manager Kightlinger reported that the allocation from the State Water Project has been increased, and he would continue to keep the Board apprised on the water supply situation.

Director J. Murray withdrew from the Meeting at 1:34 p.m.

**48193** Regarding Legal Department activities, General Counsel Tachiki referred to the General Counsel's activity report for February dated March 2, 2010, which was posted to the Directors' Web site.

General Counsel Tachiki reminded those Directors who have not yet done so to file their Form 700.

Director Pocklington withdrew from the Meeting at 1:37 p.m.

**48194** General Auditor Riss presented a report of the Audit Department's activities for the month of February, dated February 28, 2010. He stated that during the month two reports were issued: (1) Infrastructure Reliability - Weymouth Plant Improvements Program Audit Report; and (2) Infrastructure Reliability - Conveyance and Distribution System Rehabilitation Program.

General Auditor Riss gave a brief review of the above-listed audit reports and stated that both reports received opinions that stated the accounting and administrative controls included those practices usually necessary to provide for a generally satisfactory internal control structure.

**48195** Ethics Officer Elliott referred to the activity report for February dated February 28, 2010, which was posted to the Directors' Web site.

Ethics Officer Elliott reported that the H-03 Ethics Policy was sent to all employees at the end of February for their annual review and so far there was a 58-percent compliance rate in terms of employees opening and reading the policy.

Director Morris moved, seconded by Director Blake and carried, and the Board approved the Consent Calendar Items, **M.I. 48196** through **M.I. 48202** as follows:

**48196** Adopted the CEQA determinations and (a) appropriated \$1,050,000 (Appropriation No. 15369, No. 31, for \$555,000; and Appropriation No. 15440, No. 8, for \$495,000; both from the Revenue Bonds, Replacement and Refurbishment or General Funds); and authorized (b) final design of the Weymouth washwater reclamation reliability upgrades; (c) design and construction of the Weymouth solids return pump instrumentation; and (d) preliminary design of the Weymouth dry polymer system upgrade, as set forth in the letter signed by the General Manager on February 22, 2010.

**48197** Adopted the CEQA determination and (a) appropriated \$464,000 (Appropriation No. 15438, No. 8, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and

authorized (b) final design for replacement of pumping plant flow meters; and (c) a study to rehabilitate pumping plant sump piping, as set forth in the letter signed by the General Manager on February 22, 2010.

**48198** Adopted the CEQA determination and (a) appropriated \$740,000 (Appropriation No. 15436, No. 6, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and (b) awarded \$485,500 construction contract to Advanced Industrial Services, Inc. to refurbish the Diemer East Wastewater Tank roof, as set forth in the letter signed by the General Manager on February 24, 2010.

**48199** Adopted the CEQA determination and (a) appropriated \$983,000 ((Appropriation No. 15436, No. 7, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and authorized (b) the Diemer Administration Building Seismic Upgrade Study; (c) the Diemer Filter Buildings Seismic Upgrade Study; (d) preparation of environmental documentation for planned Diemer projects; (e) agreement with ABS Consulting in an amount not to exceed \$204,600; and (f) amendment to existing agreement with P&D Consultants in an amount not to exceed \$400,000, as set forth in the letter signed by the General Manager on February 24, 2010.

**48200** Adopted the CEQA determination and authorized (a) final design of a single production well for the Hayfield Groundwater Extraction Project; and (b) increase to existing agreement with Kennedy/Jenks Consultants, for a new not-to-exceed total of \$2.14 million, as set forth in the letter signed by the General Manager on February 25, 2010.

**48201** Adopted the CEQA determination and approved the proposed changes to the Administrative Code amending Metropolitan's employee deferred compensation plan to incorporate tax law changes, as set forth in the letter signed by the General Manager on February 22, 2010.

**48202** Adopted the CEQA determination and approved amendments to the Administrative Code to conform to current laws, policies, and practices to reflect the changes recommended, as set forth in Attachment 2 to the letter signed by the General Manager on February 22, 2010.

Directors Grunfeld and Pocklington returned to the Meeting at 1:39 p.m.

**48203** Engineering and Operations Committee Chairman Record moved, seconded by Director Blake and carried, that the Board adopt the CEQA determination and (a) appropriate \$3.79 million (Appropriation No. 15369, No. 32, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and (b) award \$2,429,481 construction contract to J. F. Shea Construction, Inc. for the Weymouth Junction Structure Seismic Upgrade, as set forth in the letter signed by the General Manager on February 24, 2010.

**48204** Engineering and Operations Committee Chairman Record moved, seconded by Director Edwards and carried, that the Board adopt the CEQA determination and (a) appropriate \$1.99 million (Appropriation No. 15441, No. 19, from the Revenue Bonds, Replacement and Refurbishment or General Funds); (b) authorize final design of Phase 1 and Phase 2 repairs to the Calabaras Feeder; and (c) award \$810,870 construction contract to Slater Waterproofing, Inc. for Phase 1 repairs to the Calabaras Feeder, as set forth in the letter signed by the General Manager on March 3, 2010.

**48205** Water Planning and Stewardship Committee Chairman Barrett moved, seconded by Director Edwards and carried, that the Board adopt the CEQA determination and authorize the General Manager to execute (a) one-year water transfer agreements for up to 100,000 acre-feet with Richvale Irrigation District, Western Canal Water District, Biggs-West Gridley Water District, Butte Water District, Sutter Extension Water District, South Sutter Water District, Garden Highway Mutual Water Company, Tule Basin Farms, Goose Club Farms, and Sacramento Suburban Water District; and (b) storage and conveyance agreements with Department of Water Resources (DWR) and various Sacramento Valley water districts consistent with Articles 55 and 56 of Metropolitan's State Water Supply Contract and including an up to \$10 per acre-foot payment for DWR's administrative costs; and (c) appropriate \$26 million for water transfer payments, as set forth in the revised letter signed by the General Manager on March 2, 2010.

**48206** Water Planning and Stewardship Committee Chairman Barrett moved, seconded by Director Fleming and carried, that the Board adopt the CEQA determination and authorize (a) executing a one-year water transfer agreement with Delta Wetlands Properties consistent with the term sheet attached to the letter signed by the General Manager on February 25, 2010; (b) executing a conveyance agreement with DWR; and (c) appropriate \$4,110,000 for the water transfer.

**48207** Special Committee on Desalination and Recycling Chairman Foley moved, seconded by Director Morris and carried, that the Board adopt the CEQA determination and (a) authorize a Memorandum of Understanding with County Sanitation District No. 2 of Los Angeles County, substantially in the form of Attachment 1 to the board letter, for the Joint Groundwater Replenishment Study; (b) delegate authority to the General Manager to enter into a professional services agreement to conduct the Study; and (c) appropriate \$947,000, as set forth in the letter signed by the General Manager on February 11, 2010.

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

Director J. Murray returned to the Meeting at 1:45 p.m.

**48208** Chairman Brick stated that Agenda Item 8-6, the adoption of Energy Management Policies, has been deferred.

**48209** Legal and Claims Committee Vice Chairman Dick moved, seconded by Director Edwards and carried, that the Board adopt the CEQA determination and authorize increase of \$180,000 for a total of \$1.98 million in maximum payable under contract with Burke, Williams & Sorensen to represent Metropolitan in the CalPERS proceedings in *Dewayne Cargill, et al. v. Metropolitan*, LASC Case No. BC191881 (consolidated with LASC Case Nos. BC194444 and BS052318), as set forth in the confidential letter signed by the General Counsel on February 24, 2010.

**48210** Communications and Legislation Committee Chairman Griset moved, seconded by Director Fleming and carried, that the Board adopt the CEQA determination and authorize the General Manager to express Metropolitan's opposition to AB 2092 (Huffman, D-San Rafael) regarding Delta Stewardship Council

funding, unless amended as described in the board letter signed by the General Manager on March 4, 2010.

Director Gray requested to be recorded as abstaining.

**48211** Chairman Brick stated that Agenda Item 8-9 regarding the proposed settlement in *In re Tronox Incorporated, et al.*, Chapter 11, Case No. 09-10156 (ALG), has been withdrawn.

**48212** The following communications were submitted to the Board for information:

- a. Options for 2010/11 rates and charges, signed by the General Manager on February 25, 2010.
- b. Review potential modifications to Water Supply Allocation Plan definitions and procedures, signed by the General Manager on February 25, 2010.

**48213** Director Lewinger reminded Directors that there would be a Budget Workshop on Tuesday, March 23, 2010.

**48214** There being no objection, the Chairman adjourned the Meeting at 1:48 p.m.

**JUDY ABDO**  
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**SECRETARY**

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