

MINUTES

REGULAR MEETING OF THE

BOARD OF DIRECTORS

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

NOVEMBER 9, 2010

48454 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, November 9, 2010.

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

48455 The Meeting was opened with an invocation by Sergeant Major Jesse R. Acosta, president of All Veterans Corp.

48456 The Pledge of Allegiance to the Flag was given by Director W. D. "Bud" Pocklington.

48457 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, Heidel, Lewinger, Little, Lowenthal, Montalvo, Morris, J. Murray, K. Murray, Peterson, Pocklington, Record, Sanchez, Santiago, Steiner, and Wright.

Those not answering were: Directors Quiñonez and Wunderlich.

Chairman Brick declared a quorum present.

48458 Chairman Brick invited members of the public to address the Board on matters within the Board's jurisdiction. No members of the public requested to speak.

48459 There being no objection, Chairman Brick ordered the reading of the Minutes of the Meeting for October 12, 2010, dispensed with, a copy having been mailed to each Director.

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

48460 A written report of meetings attended by Directors at Metropolitan expense during the month of October was distributed, which was received and filed.

48461 Chairman Brick reported on his assignment of Director Gray to the Special Committee on Bay-Delta. Director Little moved, seconded by Board Vice Chairman Santiago and carried, approving this assignment.

48462 Chairman Brick reported on events in which he participated, as follows:

- October 20 - Participated in a roundtable discussion on "What is Sustainability?" held at California State University, Los Angeles.
- October 29 - At the invitation of Director Gray, attended the 6th Annual Binational Mayors Summit luncheon at the West Basin Desalination Demonstration Facility and Water Education Center in Redondo Beach.
- November 3-4 - Attended the American Planning Association California 2010 Conference - "Coast Canyon Crest - Elevating Sustainability" - at the La Costa Resort in Carlsbad.

48463 Chairman Brick announced that Directors Morris and Santiago submitted their names as potential candidates for Board Secretary for a two-year term effective January 1, 2011.

48464 Director Santiago stated that after much consideration and to assure that Chairman-elect Foley had a smooth transition, he was withdrawing his candidacy. Director Santiago then moved the nomination of Director Morris for Board Secretary for the two-year term effective January 1, 2011.

Chairman Brick called for other nominations from the floor. Hearing none, Director Griset moved, seconded by Director Blake and carried, that the nominations be closed.

Chairman Brick then announced that Director Morris has been unanimously elected Board Secretary for the two-year term effective January 1, 2011.

48465 Chairman Brick stated that Item 5G, Update on Department Head Evaluation Process, would be heard in closed session at the end of the meeting.

48466 Chairman Brick announced that General Manager Kightlinger had been called to Washington, D.C. for a major briefing with representatives from the Department of the Interior.

Regarding Colorado River, Bay-Delta, and CALFED matters, Assistant General Manager/Chief Operating Officer Man referred to the activity report for October dated October 31, 2010, which was posted to the Directors' website.

Assistant General Manager/COO Man announced that General Manager Kightlinger would be meeting with Ken Salazar, Secretary of the Interior, to discuss the federal and state coordination on the Bay Delta Conservation Plan.

Assistant General Manager/COO reported that the Construction Management Association of America for project achievements recognized Metropolitan for the Inland Feeder and the Arrowhead Tunnel. This special recognition was for projects and infrastructure costing over \$150 million, which the association noted was the fine and excellent project management in getting the projects done.

Assistant General Manager/COO commented on the vast difference in weather patterns currently taking place and the wildly fluctuating deliveries going to plus/minus 50 percent. She stated that Metropolitan is fortunate that it was able to put in over 600,000 acre-feet of supplies in storage reservoirs.

48467 Regarding Legal Department activities, General Counsel Tachiki referred to the General Counsel's activity report for October dated November 1, 2010, which was posted to the Directors' website.

General Counsel Tachiki stated that a ruling on the motion for summary judgment from Judge Wanger in the Delta smelt case has not yet been delivered. She remained optimistic that the judge would rule before December when some of the restrictions in the biological opinion would go into effect. General Counsel Tachiki reported that staff is prepared to argue a motion for summary judgment in the salmon biological opinion case, which is scheduled for hearing in mid-December.

General Counsel Tachiki reported that the Bureau of Reclamation has convened a meeting of the parties involved in the Quantification Settlement Agreement (QSA) on Thursday, November 11, in San Diego to discuss whether or not there might be some amicable resolution of the issues with Imperial Irrigation District (IID) over its deliveries to the Salton Sea.

48468 General Auditor Riss referred to the Audit Department's activity report for the month of October, dated October 31, 2010, which was posted to the Directors' website.

General Auditor Riss stated that two reports were issued: (1) Fraser Communications Audit Report; and (2) Metropolitan Trust Funds Audit Report.

General Auditor Riss stated that both reports received an opinion that the areas under audit included those practices usually necessary to provide for a generally satisfactory internal control structure.

48469 In the absence of Ethics Officer Elliott, Chairman Brick referred to the activity report for October dated October 31, 2010, which was posted to the Directors' website.

Director Blake moved seconded by Board Vice Chairman J. Murray and carried, and the Board approved the Consent Calendar Items, **M.I. 48470** through **M.I. 48473** as follows:

48470 Adopted the California Environmental Quality Act (CEQA) determination and (a) appropriated \$610,000 (Appropriation No. 15373, No. 13, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and (b) authorized final design to rehabilitate three Colorado River Aqueduct sand traps, as set forth in the letter signed by the General Manager on October 26, 2010.

48471 Adopted the CEQA determination and (a) appropriated \$770,000 (Appropriation No. 15441, No. 25, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and (b) awarded \$377,000 construction contract to Minco Construction to rehabilitate three service connection turnouts on the Upper Feeder, as set forth in the letter signed by the General Manager on October 26, 2010.

48472 Adopted the CEQA determination and (a) appropriated \$370,000 (Appropriation No. 15458, No. 3, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and (b) authorized preliminary design of rehabilitation projects at the Foothill and Sepulveda Canyon Hydroelectric Plants, as set forth in the letter signed by the General Manager on October 26, 2010.

48473 Adopted the CEQA determination and (a) approved the proposed amendments to the Conflict of Interest Code in Chapter 2 of Division VII of the Metropolitan Water District Administrative Code for statutory compliance; and (b) authorized the General Counsel to include additional non-substantial changes requested by the Fair Political Practices Commission, as set forth in the letter jointly signed by the General Counsel on October 22 and the General Manager on October 28, 2010.

48474 Real Property and Asset Management Committee Chairman Hawkins moved, seconded by Director Edwards and carried, that the Board adopt the CEQA determination and (a) affirm the General Manager's determination that the subject property comprised of 23.803 acres south of Arrow Highway, La Verne, California, Parcel Nos. 1415-2-1, -3 (easterly portion), APN 8378-010-923, is surplus and carry out disposition of the

property in its current condition; and (b) market the property using the process outlined in Metropolitan Water District Administrative Code Section 8246 at its fair market value of between \$6.7 million to \$7.7 million in a form approved by the General Counsel, as set forth in the letter signed by the General Manager on October 19, 2010.

48475 Engineering and Operations Committee Chairman Record moved, seconded by Director Wright, that the Board adopt the CEQA determination and authorize entering into an agreement with Securitas to provide security services for a one-year contract renewable for four additional years at a total cost not to exceed \$35 million, as set forth in the letter signed by the General Manager on October 28, 2010.

Director Grunfeld stated that he voted in the affirmative for this item at the committee meeting but after further consideration, he would like to defer action at today's Board Meeting until next month in order to get more information. Director Grunfeld therefore moved, seconded by Director Lowenthal and carried, that this item be tabled.

Director Little requested to be recorded as voting no.

48476 Water Planning and Stewardship Committee Chair Steiner moved, seconded by Director Morris, that the Board adopt the CEQA determination, the 2010 Regional Urban Water Management Plan, and **Resolution 9117**, for submittal to the state of California in order to comply with the Urban Water Management Planning Act of the California Water Code, as set forth in the letter signed by the General Manager on October 28, 2010, said resolution entitled:

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN
WATER DISTRICT OF SOUTHERN CALIFORNIA ADOPTING THE 2010
REGIONAL URBAN WATER MANAGEMENT PLAN**

Water Planning and Stewardship Committee Chair Steiner referred to the letter from San Diego County Water Authority sent to Board Chairman Brick dated November 5, 2010, regarding the Authority's request to defer adoption of the Regional Urban Water Management Plan, and she requested that this letter be entered into the record.

Chairman Brick called for a vote on the motion, which carried.

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

48477 The following communications were submitted to the Board for information:

- a. Calendar year 2010 summary and 2011 outlook on water supply and storage conditions for Metropolitan, signed by the General Manager on October 29, 2010.
- b. Little Hoover Commission recommendations for reorganizing California state water agencies, signed by the General Manager on October 26, 2010.

48478 Director Grunfeld reminded the Board of the upcoming joint workshop of the Business and Finance Committee and the Audit and Ethics Committee on November 23, 2010, regarding Metropolitan's financial statements.

Director Grunfeld commented on the Israel Innovation Days conference, which had to be postponed. He said the Israel Economic Mission, Metropolitan, and the member agencies are working together to reschedule the conference to the first part of next year.

Chairman Brick announced the 20 x 2020 Water Summit would be held tomorrow, November 10, in the Concourse at Union Station and invited all Directors to participate.

48479 At 12:40 p.m., Chairman Brick called the Meeting into closed session pursuant to Government Code Section 54957 regarding Update on Department Head Evaluation Process.

At 1:02 p.m., Chairman Brick called the Meeting into open session and reported that no action was taken.

48480 Chairman Brick reported on the death of former Director S. Dell Scott on October 30, 2010. He represented the City of Los Angeles on Metropolitan's Board from February 11, 1975 to October 12, 1993. Some Board members reflected on Director Scott's tenure on the Board.

48481 At 1:05 p.m., there being no objection, the Chairman adjourned the Meeting in memory of former Director S. Dell Scott.

JUDY ABDO
SECRETARY

TIMOTHY F. BRICK
CHAIRMAN