

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

EXECUTIVE COMMITTEE

June 28, 2011

Chairman Foley called the meeting to order at 10:15 a.m. in the Board Room at Metropolitan's Headquarters.

Committee Members present: Chairman Foley, Vice Chairs Gray, Record and J. Murray, Secretary Morris, Directors Ackerman, Brick, De Jesus, Evans, Griset, Grunfeld, Lewinger, and Wunderlich.

Committee Member absent: Director Fellow.

Other Directors present: Directors Ballin, Barbre, Bowersox, Brown, Dick, Edwards, Friedman, Hawkins, Heidel, Little, Montalvo, Peterson, Steiner, and Wright.

Staff present: Arakawa, Ardalan, Bennion, L. Carrillo, Chin, Elliott, Gil de Montes, Green, Ivey, Kightlinger, Jankovich, Lem, Man, Morel, Neal, Norris, Patterson, Pitman, Pellegrini, Riss, Scully, Tubbs, Upadhyay, Waade, Wakiro, and Wolfe.

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

None.

2. APPROVAL OF THE MINUTES OF THE EXECUTIVE COMMITTEE HELD MAY 24, 2011

Approved

Motion: Director Lewinger

Seconded: Director J. Murray

3. BOARD CHAIRMAN'S REPORT

Chairman Foley reported that board members had an extremely useful visit to Sacramento where they met with Legislators to discuss Metropolitan-related issues. He also thanked staff members Kathy Cole and Linda Waade for putting together an effective agenda.

Chairman Foley also reported that he will be appointing a Blue Ribbon Review

Panel to review the Blue Ribbon Report. It will be chaired by Vice Chair John Murray. The full panel will be announced at a later date.

4. CONSENT CALENDAR ITEMS – ACTION

None.

5. OTHER BOARD ITEMS – ACTION

None.

6. BOARD INFORMATION ITEMS

None.

7. COMMITTEE ITEMS

- a. Subject: Approve draft committee and Board meeting agendas, and schedule for July 2011

Presented by: Chairman Foley

Chairman Foley asked the Standing Committee Chairs if they had reviewed their respective agendas for July and if there were any corrections or changes.

Approved

Moved: Director Gray

Seconded: Director Griset

- b. Subject: General Manager's report of Metropolitan's activities

Presented by: General Manager Jeffrey Kightlinger

The General Manager stated he was not able to attend the Sacramento trip due to illness but heard it was very successful.

The General Manager reported there is still a lot of good news on the Colorado River. We have continued to receive plenty of snow in the Upper Basin and will likely have a 50 foot jump on Lake Mead by the end of the year.

- c. Subject: Approve General Manager's Business Plan for fiscal year 2011/12

Presented by: General Manager Jeffrey Kightlinger

The General Manager reported that after the Board adopts a budget each year, a business plan is then drawn up, presented and adopted before the start of the fiscal year. The information will be posted on the website. Metropolitan will continue to focus on our core business of keeping the agency running well, but will also stress the most important strategic priorities for this year which are managing the budget and finance, rebuilding water storage accounts and continuing progress on the Bay-Delta Conservation Plan. Metropolitan is hoping to get a final plan for the Bay-Delta in 2012.

The General Manager stated that the business plan needs to be approved at the Executive Committee and then presented to the Board for approval in July at the start of the fiscal year.

Approved

Moved: Director Griset Seconded: Director J. Murray

- d. Subject: Interim General Counsel's report of Legal Department activities

Presented by: Interim General Counsel Marcia Scully

The Interim General Counsel reported that an appeal has been filed in the Village Retail matter, a law-suit filed by a property owner who owns property along the Perris Valley pipeline. In March the court granted a summary judgment motion that took Metropolitan out of the case except for the issue of subsurface water. Metropolitan subsequently entered into a settlement agreement with the owner which allowed for that claim also to be dismissed. The property owner can go further with an appeal or accept \$85,000 for the water rights.

The Interim General Counsel also reported that there had been a procedural issue raised as to whether Judge Wanger would have jurisdiction to hold hearings regarding the Fall X-2 implementation. That has now been resolved and there will be four days of hearings in the court in late July. If Metropolitan and the water's contractors prevail in those hearings, it is possible that additional legal action will be filed by the federal government and some environmental entities.

The Interim General Counsel stated that the email she sent out to the board regarding the summary dismissal of an employment matter by the courts, neglected to thank Metropolitan's Human Resources staff for their contribution in that matter.

e. Subject: General Auditor's report of Audit Department activities

Presented by: General Auditor Gerry Riss

The General Auditor reported that KPMG will begin the annual audit in the next week and staff is preparing to assist them.

f. Subject: Ethics Officer's report of Ethics Department activities

Presented by: Ethics Officer Deni Elliott

The Ethics Officer reported that they are completing the revisions to the employee ethics manual and the contractor's manual and studying the most cost-effective ways of putting those into production. The Ethics Department is also working on developing software and plans to develop multi-platform online education opportunities for directors and employees.

g. Subject: Update on state and federal legislative activities

Presented by: General Manager Jeffrey Kightlinger

There was no report on legislative activities.

g. Subject: Conference with Labor Negotiators.
[Conference with labor negotiators; to be heard in closed session pursuant to Gov. Code Section 54957.6. Agency representative: Gilbert Ivey. Employee organizations: The Employees Association of The Metropolitan Water District of Southern California/AFSCME Local 1902; the Management and Professional Employees Association MAPA/AFSCME Chapter 1001, the Association of Confidential Employees, and the Supervisors Association]

Presented by: Chairman Foley

(Item heard at end of meeting.)

8. REPORTS FROM COMMITTEES

- a. Director Grunfeld, Finance and Insurance Committee Chair, had no report.

Director De Jesus, Water Planning and Stewardship Committee Chair, reported that the Committee will consider two action items: Support of the Colorado River Board and Colorado River Authority, and amending the existing agreement with Mojave Water Agency to store State Water Project supplies. Staff will also be reporting on adjustments to Metropolitan's water supply allocation plan, and Metropolitan's groundwater storage programs.

- b. Director Evans, Engineering and Operations Committee Chair, reported that in July, the Committee will hear some interesting reports including an integrated area study and system and liability assessment, an update on Colorado River source water protection, a report on implementation of AB 32, and a salinity management report. Director Evans thanked members of staff who conducted the Engineering and Operations Inspection tour on June 24, 2011. Several directors attended and were shown current projects as well as some that are still being developed.
- c. Director J. Murray, Organization, Personnel and Technology Committee Chair, reported that there will be a closed session discussion on labor negotiations at the end of this meeting. In addition, it is time for board feedback on department head performance. An email will go out to board members from the Board Chair with web links to the narrative performance summary written by each department head, and to the evaluation forms for each department head. Input needs to be completed by July 13, 2011. Evaluations will be finalized at the Executive Committee meeting on July 26, 2011.
- d. Director Wunderlich, Legal and Claims Committee Chair, reported that the committee will be discussing the General Counsel's annual report on fiscal year 2010/11.
- e. Director Ackerman, Legislation Committee Chair, reported that there are no additions or changes to the preliminary agenda for July 2011.
- f. Director Griset, Communications and Education Committee Vice Chair, reported there will be no meeting of the Communications and Education Committee in July.
- g. Director Hawkins, Real Property and Asset Management Committee Chair, reported that the meeting time for that Committee was changed to 12:30 p.m. today instead of the usual 8:30 a.m. start time. The Chair requested that as many directors as possible attend to provide input for some options on real estate which will be discussed at the meeting.

7. COMMITTEE ITEMS

Chairman Foley called the meeting of the Executive Committee into closed session at 10:41 a.m.

- h. Subject: Conference with Labor Negotiators.
[Conference with labor negotiators; to be heard in closed session pursuant to Gov. Code Section 54957.6. Agency representative: Gilbert Ivey. Employee organizations: The Employees Association of The Metropolitan Water District of Southern California/AFSCME Local 1902; the Management and Professional Employees Association MAPA/AFSCME Chapter 1001, the Association of Confidential Employees, and the Supervisors Association]

The closed session ended at 11:21 a.m.

No action was taken.

9. FOLLOW UP ITEMS

There were no follow up items.

10. FUTURE AGENDA ITEMS

The next meeting of the Executive Committee will be held July 26, 2011.

Chairman Foley adjourned the meeting at 11:22 a.m.

John V. Foley
Chairman of the Board