

MINUTES

REGULAR MEETING OF THE

BOARD OF DIRECTORS

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

FEBRUARY 14, 2012

48948 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, February 14, 2012.

Chairman Foley called the Meeting to order at 12:07 p.m.

48949 The Meeting was opened with an invocation by Lawrence Gibbs, Unit Manager, Business Technology Group.

48950 The Pledge of Allegiance to the Flag was given by Vice Chair Gloria Gray.

48951 Board Secretary Morris called the roll. Those answering present were: Directors Abdo, Ackerman, Ballin, Barbre, Blake, Brick, Brown, Camacho, De Jesus, Dick, Edwards, Evans, Fleming, Foley, Friedman, Grandsen, Gray, Griset, Grunfeld, Hawkins, Heidel, Lewinger, Little, Lowenthal, Millard, Morris, J. Murray, K. Murray, Peterson, Record, Wilson, Wright, and Wunderlich.

Those not answering were: Directors Montalvo, Quiñonez, Sanchez, and Steiner.

Chairman Foley declared a quorum present.

48952 At 12:17 p.m., Chairman Foley called a public hearing to receive comments on the proposed standby charge for Calleguas Annexation No. 96 to Calleguas Municipal Water District.

No members of the public responded; and with no protest received from the owners, the Chair closed the public hearing at 12:18 p.m.

48953 Director Lewinger introduced Marty Miller and Mark Weston, board members from the San Diego County Water Authority.

48954 Chairman Foley invited members of the public to address the Board on matters within the Board's jurisdiction.

Stephen Williams, President of AFSCME, Local 1902, stated that there were two matters that are adversely affecting the morale of the employees of Metropolitan: (1) the class comp and compensation study, and (2) the filing with the Public Employees Relations Board by AFSCME regarding the overtime schedule of some employees and how they are being compensated during the shutdowns.

Relating to Item (1), Mr. Williams commented that the study has been going on for a long time, and that he was encouraged that Metropolitan is planning to bring this to the next meeting of the Organization, Personnel and Technology Committee.

On the matter of Item (2), Mr. Williams said he had sent letters to some members of the Legislature informing them of what Metropolitan is doing.

48955 There being no objection, Chairman Foley ordered the reading of the Minutes of the Meeting of January 10, 2012, 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.

48956 A written report of meetings attended by Directors at Metropolitan expense during the month of January was distributed, which was received and filed.

48957 Director Blake moved, seconded by Director Edwards and carried, that the Board approve the assignments of Directors Griset, Morris, Record, and Wright to the Special Committee on Bay-Delta, as recommended by Chairman Foley.

48958 Chairman Foley reported on events in which he participated, as follows:

- January 4 - Along with General Manager Kightlinger, attended a meeting with the managers of various Central Valley districts regarding the 2012 Delta Habitat Conservation and Conveyance Program
- January 20-21 - Hosted a State Water Project inspection trip
- January 26 - Participated in the Water Technology Conference at the University of La Verne
- February 2 - Was the guest speaker at the Central Basin Municipal Water District caucus

48959 Regarding matters relating to Metropolitan's operations and activities, General Manager Kightlinger referred to the activity report for January dated January 31, 2012, which was posted to the Directors' website.

General Manager Kightlinger commented on the various workshops held by the Board on the budget and rates for fiscal years 2012/13 and 2013/14. Staff will be prepared to bring these to the March meetings for approval.

Director Lewinger requested that with all the information and options that are coming forth, the budget and rates should not be approved until April, as has been done in the past. Director Lowenthal agreed, to give more time for deliberation since the public hearing will be held in March.

A discussion followed about the various options being proposed, timing for board consideration of the rates and budget, and whether it was necessary to hold another workshop.

48960 Regarding Legal Department activities, Interim General Counsel Scully referred to the General Counsel's activity report for January dated February 6, 2012, which was posted to the Directors' website.

Interim General Counsel Scully had no further report.

Interim General Counsel Scully reminded the Directors that their Form 700s should be brought in by the next Board Meeting.

48961 General Auditor Riss referred to the Audit Department's activity report for the month of January, dated January 31, 2012, which was posted to the Directors' website.

General Auditor Riss stated that two audit reports were issued: (1) Diemer Oxidation Retrofit - Shimmick/Obayashi Contract 1667 Audit Report, which received an opinion of satisfactory internal control structure; and (2) Employee Usage of Company Property - Telecommunications Audit Report, which received an opinion of generally satisfactory internal control structure. Another report issued during the month was the Audit Quality Assurance - Audit Plan Update, which had very minor changes to the plan.

48962 The Ethics Officer's activity report for January dated January 31, 2012, was posted to the Directors' website. No further report was given.

48963 General Manager Kightlinger requested that Agenda Item 7-4, the potential grant funding for two contracts with the Bureau of Reclamation, be taken off the Consent Calendar for further discussion.

Director Blake moved, seconded by Director Grunfeld and carried, and the Board approved the Consent Calendar Items, **M.I. 48964** and **M.I. 48966**, as follows:

48964 Adopted the California Environmental Quality Act (CEQA) determinations and (a) appropriated \$540,000 (Appropriation No. 15365, No. 21, for \$155,000; and Appropriation No. 15435, No. 6, for \$385,000, both from the Revenue Bonds, Replacement and Refurbishment or General Funds); and authorized (b) final design and construction of improvements to the Skinner Equipment Storage Building; and (c) final design

of improvements to the Skinner plant's solids handling system, as set forth in the letter signed by the General Manager on February 1, 2012.

48965 Adopted the CEQA determination and (a) appropriated \$513,000 (Appropriation No. 15438, No. 17, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and (b) authorized rehabilitation of Service Connection DW-CV-2T on the Colorado River Aqueduct, as set forth in the letter signed by the General Manager on January 30, 2012.

48966 Adopted the CEQA determination and (a) appropriated \$170,000 (Appropriation No. 15441, No. 39, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and (b) authorized preliminary design to rehabilitate Service Connection G-01 on the Santa Monica Feeder, as set forth in the letter signed by the General Manager on January 30, 2012.

48967 In answer to a question regarding Agenda Item 7-4, Water Resource Management Manager Upadhyay replied that the contracts with the Bureau of Reclamation (Reclamation) for grant funding under the WaterSMART Program would require matching funds. Metropolitan staff proposes to bring back an item for later board consideration that would allow Metropolitan to provide the matching funds for all the member agencies who participate in the turf replacement program, which would come from the conservation funding budget.

Director Lewinger commented that if he had known some of the monies would be coming from the conservation fund, he would have requested that the recommendation be bifurcated as San Diego cannot support Option #1 (c) as stated in the board letter. Director Lewinger therefore asked if the recommendation could be bifurcated, and Water Planning and Stewardship Committee Chairman De Jesus agreed.

Water Planning and Stewardship Committee Chairman De Jesus therefore moved, seconded by Director Edwards and carried, that the Board adopt the CEQA determination and the resolutions to (a) authorize acceptance of potential grant funding under the WaterSMART: Water and Energy Efficiency Grants for fiscal year 2012, of up to \$1.65 million; (b) delegate authority to the General Manager to execute necessary contracts if selected, including the Reclamation grant contract(s); and (d) state that Metropolitan, if awarded a

grant, will work with Reclamation to meet established deadlines upon entering into a cooperative agreement, as set forth in the letter signed by the General Manager on February 1, 2012, said resolutions entitled:

Resolution 9136 **RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA IN SUPPORT OF ITS PROPOSAL FOR FUNDING UNDER THE WATERSMART: WATER AND ENERGY EFFICIENCY GRANTS FOR TURF REPLACEMENT REBATE PROPGAM**

Resolution 9137 **RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA IN SUPPORT OF ITS PROPOSAL FOR FUNDING UNDER THE WATERSMART: WATER AND ENERGY EFFICIENCY GRANTS FOR ENHANCED INCENTIVES FOR WATER EFFICIENT ICE MACHINES**

Water Planning and Stewardship Committee Chairman De Jesus moved, seconded by Board Vice Chairman Record and carried, that the Board adopt the CEQA determination and **Resolutions 9136 and 9137** to (c) agree to fulfill the grant contract(s), including provision of matching funds of up to \$1.65 million, through existing Metropolitan programs.

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

48968 Real Property and Asset Management Committee Chairman Hawkins moved, seconded by Director Grunfeld and carried, that the Board adopt the CEQA determination and (a) adopt proposed Diamond Valley Lake (DVL) development guidelines; (b) approve the proposed DVL land use planning concepts; and (c) authorize staff to initiate the entitlement process and public outreach as development projects are determined to be feasible, subject to board approval, as set forth in the revised letter signed by the General Manager on January 30, 2012.

48969 Finance and Insurance Committee Chairman Grunfeld moved, seconded by Committee Vice Chairman Blake and carried, that the Board (a) approve the draft Remarketing Statement substantially in the form attached to the board letter, with changes approved by the General Manager and the General Counsel; and authorize (b) the General Manager to execute the Remarketing Statement; and (c) distribution of the Remarketing Statement in connection with remarketing of the bonds, as set forth in the letter signed jointly by the Interim General counsel on January 26 and the General Manager on January 30, 2012.

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

48970 Engineering and Operations Committee Chairman Evans moved, seconded by Director Blake and carried, that the Board adopt the CEQA determination and (a) appropriate \$2.39 million (Appropriation No. 15467, No. 26, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and authorize (b) preliminary design of control and protection upgrades at Hiram W. Wadsworth Pumping Plant; (c) an agreement with FluidIQs, LLC for preliminary design support, in an amount not to exceed \$1,491,000; and (d) an agreement with Power-Tech Engineers, Inc. for Owner's Engineering services, in an amount not to exceed \$298,000, as set forth in the letter signed by the General Manager on February 2, 2012.

48971 Engineering and Operations Committee Chairman Evans reported that the committee deferred Agenda Item 8-4, final design of the Jensen Solids Dewatering Facility and Lagoons. Committee Chairman Evans then moved, seconded by Director Wright and carried, that the Board defer Agenda Item 8-4 for up to 90 days.

Director Morris requested to be recorded as abstaining.

48972 The following communication was submitted to the Board for information:

- a. Review of Delta Stewardship Council's Delta Plan and Draft Environmental Impact Report, signed by the General Manager on January 19, 2012.
- b. Report on Local Resources Development Strategy Task Force, signed by the General Manager on December 28, 2011.

48973 There being no objection, the Chairman adjourned the Meeting at 1:08 p.m.



JOHN T. MORRIS
SECRETARY



JOHN V. FOLEY
CHAIRMAN