

**MINUTES**

**REGULAR MEETING OF THE**

**BOARD OF DIRECTORS**

**THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

**SEPTEMBER 11, 2012**

**49168** 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, 2012.

Vice Chairman Record called the Meeting to order at 11:45 a.m.

**49169** The Meeting was opened with an invocation by Michael Thomas, Team Manager, Engineering Services.

**49170** The Pledge of Allegiance to the Flag was given by Director Rudy Montalvo.

**49171** Board Secretary Morris called the roll. Those answering present were: Directors Abdo, Ackerman, Babcock, Ballin, Brick, Brown, Camacho, De Jesus, Dick, Edwards, Fleming, Friedman, Grandsen, Gray, Griset, Grunfeld, Hawkins, Lewinger, Little, Lowenthal, Millard, Montalvo, Morris, J. Murray, K. Murray, Peterson, Quiñonez, Record, Sanchez, Steiner, Wilson, Wright, and Wunderlich.

Those not answering were: Directors Barbre, Evans, Foley, and Heidel.

Vice Chairman Record declared a quorum present.

**49172** The Board observed a moment of silence in memory of those who died in the terrorist attacks on the United States on September 11, 2001.

**49173** Vice Chairman Record invited members of the public to address the Board on matters within the Board's jurisdiction.

Rich Nagel, General Manager of West Basin Municipal Water District, referred to the letter addressed to Chairman John Foley, dated September 11, 2012, titled: "Has Metropolitan Water District Been Unfair to the San Diego County Water Authority?" Mr. Nagel made comments on the different points in the letter, which was signed by the general managers of eighteen member agencies.

Director Lewinger asked that the letter titled "Update on Rate Refinement", addressed to Chairman John Foley, dated September 10, 2012 from San Diego County Water Authority be made a part of the record.

Director Dick withdrew from the Meeting at 12:13 p.m.

**49174** Mark Cowin, Director, California Department of Water Resources (DWR), reported on the progress of the Bay Delta Conservation Plan (BDCP) and related matters in the Delta. Mr. Cowin stated that the DWR is working closely with Metropolitan and the other water contractors regarding the conclusion of the planning phase of the BDCP construction management program for the new water facilities. The DWR is also developing new approaches in maintaining the State Water Project facilities.

Director Wilson withdrew from the Meeting at 12:16 p.m.

Director Steiner withdrew from the Meeting at 12:18 p.m.

**49175** There being no objection, Vice Chairman Record ordered the reading of the Minutes of the Meetings of August 14, 20, and 21, 2012, dispensed with, copies having been mailed to each Director.

Director Fleming moved, seconded by Director Griset and carried, approving the foregoing Minutes as mailed.

**49176** A written report of meetings attended by Directors at Metropolitan expense during the month of August was distributed. The report was received and filed.

**49177** The General Counsel's letter signed September 6, 2012, was presented, transmitting the credentials evidencing the appointment by the city of Fullerton of Thomas Babcock as its representative on Metropolitan's Board for an indefinite term, replacing James Blake.

General Counsel Scully reported the credentials had been examined and found legally sufficient, and that Mr. Babcock was sworn in on September 6, 2012.

Vice Chairman Record ordered the credentials, together with the General Counsel's letter, received and filed.

Mayor Pro Tem Bruce Whitaker of Fullerton gave the ceremonial Oath to Director Babcock.

**49178** Vice Chairman Record presented to Director Sylvia Ballin a pin for her five years of service on Metropolitan's Board, representing the city of San Fernando.

Director Dick returned to the Meeting at 12:25 p.m.

**49179** Vice Chairman Record reported that Chairman Foley has (1) assigned Director Babcock to the Finance and Insurance Committee and Engineering and Operations Committee; and (2) dissolved the Special Committee on Desalination and Recycling and transferred its duties to the Water Planning and Stewardship Committee.

Director Grunfeld moved, seconded by Director Edwards and carried, approving the above assignments and the dissolution of the Special Committee on Desalination and Recycling.

**49180** There was no Chairman's monthly activity report.

**49181** Regarding matters relating to Metropolitan's operations and activities, General Manager Kightlinger referred to the activity report for August dated August 31, 2012, which was posted to the Directors' website.

General Manager Kightlinger announced that Mr. Terry Fulp has been named the new Director for the Lower Colorado Region, Bureau of Reclamation.

**49182** Regarding Legal Department activities, General Counsel Scully referred to the General Counsel's activity report for August dated September 4, 2012, which was posted to the Directors' website.

General Counsel Scully had no further report.

**49183** General Auditor Riss referred to the Audit Department's activity report for the month of August dated August 31, 2012, which was posted to the Directors' website.

General Auditor Riss had no further report.

**49184** Interim Ethics Officer Cable referred to the Ethics Department activity report for August dated August 31, 2012, which was posted to the Directors' website.

Interim Ethics Officer Cable stated that the AB 1234 training was successful and for those Directors who were not able to attend, online training will be available.

Mr. Cable thanked the Board for their support during his time as the Interim Ethics Officer.

Board Vice Chairman J. Murray moved, seconded by Director Fleming and carried, and the Board approved the Consent Calendar Items, **M.I. 49185** through **M.I. 49188**, as follows:

**49185** Adopted the California Environmental Quality Act (CEQA) determination and (a) appropriated \$1.2 million (Appropriation No. 15374, No. 14, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and (b) awarded \$738,684 contract to Kaveh Engineering & Construction, Inc. for Phase 2 rehabilitation of pipe expansion joints at the Julian Hinds Pumping Plant, as set forth in the letter signed by Assistant General Manager Man for the General Manager on August 29, 2012.

**49186** Adopted the CEQA determination and (a) appropriated \$480,000 (Appropriation No. 15480, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and

(b) authorized preliminary design of an operations and maintenance service center for the Orange County portion of the distribution system, as set forth in the letter signed by Assistant General Manager Man for the General Manager on August 29, 2012.

**49187** Adopted the CEQA determination and approved amendments to the Administrative Code as set forth in Attachment 2 to reflect the changes recommended in the letter jointly signed by the General Counsel on August 20, 2012, and by Assistant General Manager Man for the General Manager on August 29, 2012. (Changes were made to conform to current laws and practices and make corrections.)

Director Lewinger requested to be recorded as voting no.

Director Lewinger requested that a letter from San Diego County Water Authority dated September 10, 2012 regarding Agenda Item 7-3, amendments to the Metropolitan Water District Administrative Code to conform to current laws and practices and make corrections, be entered into the record. The letter is on file with the Board Executive Secretary.

**49188** Adopted the CEQA determination and authorized the General Counsel to amend Agreement No. 124110 with Ellison, Schneider & Harris to increase the maximum payable by \$100,000 to a total of \$200,000 for preliminary analysis of the permits for the State Water Project and Central Valley Project, as set forth in the letter signed by the General Counsel on August 24, 2012.

Director Lewinger requested to be recorded as voting no.

**49189** At 12:31 p.m., pursuant to Government Code Section 54957, Vice Chairman Record called the Meeting into closed session to consider the following agenda items:

10-1 Report from General Manager, General Counsel, and General Auditor on the performance evaluations received by the Executive Committee

11-1 Consideration of candidates for the position of Ethics Officer

Director Morris withdrew from the Meeting at 12:50 p.m.

Directors Lowenthal, K. Murray, and Sanchez withdrew from the Meeting at 12:58 p.m.

Director Babcock withdrew from the Meeting at 1:00 p.m.

Directors Grunfeld and Wright withdrew from the Meeting at 1:12 p.m.

Director Quiñonez withdrew from the Meeting at 1:45 p.m.

At 2:11 p.m., Vice Chairman Record called the Meeting into open session.

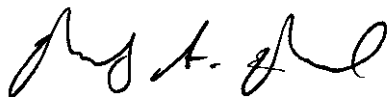
**49190** Vice Chairman Record stated no action was taken on Item 10-1.

**49191** Vice Chairman Record announced that in closed session the Board selected Deena R. Ghaly for the position of Ethics Officer and that the Chairman of the Board, or his designee, is authorized to negotiate an employment contract with her to be approved at a future Board Meeting.

**49192** There being no objection, Vice Chairman Record adjourned the Meeting at 2:13 p.m.



**JOHN T. MORRIS**  
**SECRETARY**



**RANDY A. RECORD**  
**VICE CHAIRMAN**