

**MINUTES**

**ADJOURNED REGULAR MEETING OF THE**

**BOARD OF DIRECTORS**

**THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

**NOVEMBER 5, 2012**

**49221** The Board of Directors of The Metropolitan Water District of Southern California met in Adjourned 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 5, 2012.

Vice Chairman Record called the Meeting to order at 1:39 p.m.

**49222** The Meeting was opened with an invocation by Bart Garcia, Engineer, Water System Operations.

**49223** The Pledge of Allegiance to the Flag was given by Director James Edwards.

**49224** Board Secretary Morris called the roll. Those answering present were: Directors Abdo, Ackerman, Babcock, Brick, Brown, De Jesus, Edwards, Evans, Fleming, Friedman, Grandsen, Gray, Griset, Lewinger, Millard, Montalvo, Morris, Mudd, J. Murray, Peterson, Record, Steiner, Wilson, Wright, and Wunderlich.

Those not answering were: Directors Ballin, Barbre, Camacho (entered 1:45 p.m.), Dick, Foley, Grunfeld, Hawkins, Little, Lowenthal, K. Murray, Quiñonez, and Sanchez.

Vice Chairman Record declared a quorum present.

**49225** Vice Chairman Record invited members of the public to address the Board on matters within the Board's jurisdiction.

Stephen Williams, President of AFSCME, Local 1902, commented on the morale of the employees. He announced his retirement from Metropolitan after 38 years.

**49226** There being no objection, Vice Chairman Record ordered the reading of the Minutes of the Meeting of October 9, 2012, dispensed with, a copy having been mailed to each Director.

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

**49227** A written report of meetings attended by Directors at Metropolitan expense during the month of October was distributed. The report was received and filed.

The following Directors requested that their attendance at the following meetings be added to the record:

October 4, 2012 - Bay-Delta Tour, Sacramento - Vice Chair Gray

October 25, 2012 - Southern California Water Committee Annual Meeting, City of Industry - Vice Chair Gray, Directors Ackerman, Babcock, Brick, Camacho, De Jesus, Evans, Griset, Little, Morris, and Peterson

**49228** Vice Chairman Record reported there were no new committee assignments.

**49229** There was no Chairman's monthly activity report.

**49230** Vice Chairman J. Murray reported that the Executive Committee received one request to be considered for the position of Board Secretary for the two-year term effective January 1, 2013, from Board Secretary Morris.

**49231** Vice Chairman J. Murray stated that the nomination by the Executive Committee for Board Secretary is John T. Morris. Vice Chairman J. Murray then asked if there were any other nominations from the floor.

Hearing no other nominations, Vice Chairman J. Murray moved, seconded by Director Griset and carried unanimously, that

the Board approve the election of Director John T. Morris as Board Secretary for the two-year term effective January 1, 2013, by acclamation.

**49232** Vice Chairman J. Murray moved, seconded by Director Fleming and carried, that the Board adopt the CEQA determination and approve an employment contract with Gerald Riss as General Auditor, containing the terms and conditions as set forth in the letter signed by Chairman Foley on October 31, 2012.

Director Camacho took his seat at 1:45 p.m.

**49233** The General Counsel's letter signed October 31, 2012, was presented, transmitting the credentials evidencing the appointment by San Diego County Water Authority of Vincent Mudd as one of its representatives on Metropolitan's Board for an indefinite term, replacing Lynne Heidel.

General Counsel Scully reported the credentials had been examined and found legally sufficient, and that Mr. Mudd was sworn in earlier today, November 5, 2012.

Following an introduction by Director Steiner, Director Mudd took his seat as a Director representing the San Diego County Water Authority.

**49234** Regarding matters relating to Metropolitan's operations and activities, General Manager Kightlinger referred to the activity report for October dated October 31, 2012, which was posted to the Directors' website.

General Manager Kightlinger commented on the employees' service awards luncheon held on October 30 and thanked all the Directors who attended.

**49235** Regarding Legal Department activities, General Counsel Scully referred to the General Counsel's activity report for October dated October 29, 2012, which was posted to the Directors' website.

General Counsel Scully had no further report.

**49236** General Auditor Riss referred to the Audit Department's activity report for the month of October dated October 31, 2012, which was posted to the Directors' website.

General Auditor Riss had no further report.

**49237** Interim Ethics Officer Cable referred to the Ethics Department activity report for October dated October 30, 2012, which was posted to the Directors' website.

Interim Ethics Officer Cable had no further report.

Director Edwards moved, seconded by Director Fleming and carried, and the Board approved the Consent Calendar Items, **M.I. 49238** through **M.I. 49243**, as follows:

**49238** Adopted the California Environmental Quality Act (CEQA) determination and authorized the General Manager to grant easements to the city of Santa Clarita in the county of Los Angeles, for infrastructure improvements, as set forth in the letter signed by the General Manager on October 17, 2012.

**49239** Adopted the CEQA determination and authorized the General Manager to enter into a long-term license agreement on Metropolitan property in the county of Riverside for ingress and egress with Mark Technologies Corporation and Alta Mesa Phase III Partners, as set forth in the letter signed by the General Manager on October 17, 2012.

**49240** Adopted the CEQA determination and (a) granted conditional approval for the 103rd Fringe Area Annexation concurrently to Eastern Municipal Water District and Metropolitan, conditioned upon receipt in full of annexation fee of approximately \$54,367.33 to Metropolitan if completed by December 31, 2012, or if completed later, at the then-current annexation charge rate; (b) approved Eastern's Statement of Compliance with the current Water Use Efficiency Guidelines; and (c) adopted **Resolution 9145**, the resolution of intention to impose water standby charge within the proposed annexation territory, substantially in the form of Attachment 3 to the board letter signed by the General Manager on September 26, 2012, said resolution entitled:

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE METTROPOLITAN  
WATER DISTRICT OF SOUTHERN CALIFORNIA GIVING NOTICE OF  
INTENTION TO IMPOSE WATER STANDBY CHARGES CONTINGENT UPON  
ANNEXATION - 103RD FRINGE AREA ANNEXATION - EASTERN  
MUNICIPAL WATREER DISTRICT**

Vice Chairman Record requested to be recorded as abstaining.

**49241** Adopted the CEQA determination and awarded \$747,910.23 procurement contract to OneSource Distributors, LLC for the Skinner Electrical Building Upgrades, as set forth in the letter signed by the General Manager on October 24, 2012.

**49242** Adopted the CEQA determination and (a) appropriated \$280,000 (Appropriation No. 15419, No. 3, for \$170,000; and Appropriation No. 15441, No. 46, for \$110,000, both from the Revenue Bonds, Replacement and Refurbishment or General Funds); and authorized (b) preliminary design to upgrade the dam monitoring system at Diamond Valley Lake; and (c) preliminary design to rehabilitate fish screens at the Diamond Valley Lake Inlet/Outlet Tower, as set forth in the letter signed by the General Manager on October 25, 2012.

**49243** Adopted the CEQA determination and (a) appropriated \$260,000 (Appropriation No. 15441. No. 4, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and (b) authorized final design to relocate a portion of the Orange County Feeder, as set forth in the letter signed by the General Manager on October 23, 2012.

**49244** On behalf of the Finance and Insurance Committee, Director Evans moved, seconded by Director Fleming and carried, that the Board adopt the CEQA determination and (a) approve the draft Preliminary Official Statement substantially in the form attached to the board letter signed by the General Manager on October 25, 2012, with changes approved by the General Manager and General Counsel; and authorize (b) the General Manager to execute the Official Statement; and (c) distribution of the Official Statement in connection with marketing of the bonds.

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

**49245** Engineering and Operations Committee Chairman Evans moved, seconded by Director Edwards and carried, that the Board adopt the CEQA determination and (a) appropriate \$2.58 million (Appropriation No. 15479 from the Revenue Bonds, Replacement and Refurbishment or General Funds); and (b) authorize final design of solids handling improvements for the Mills plant, as set forth in the letter signed by the General Manager on October 24, 2012.

**49246** Legal and Claims Committee Chairman Wunderlich moved, seconded by Director Fleming and carried, that the Board adopt the CEQA determination and authorize an increase in maximum amount payable under contract with Hanson Bridgett LLP by \$500,000 to an amount not to exceed \$600,000 in connection with *San Diego County Water Authority v. Metropolitan Water District of Southern California, et al.*, San Francisco County Superior Court Case No. CPF-10-510830 and No. CPF-12-512466, as set forth in the confidential letter signed by the General Counsel on October 24, 2012.

Directors Lewinger, Mudd, Steiner, and Wilson requested to be recorded as abstaining.

**49247** Water Planning and Stewardship Committee Chairman De Jesus moved, seconded by Director Fleming and carried, that the Board adopt the CEQA determination and (a) authorize Metropolitan to enter into multiple agreements in support of a five-year program to augment Metropolitan's Colorado River Supply through the funding of an international pilot project in Mexico, on the terms described in the board letter signed by the General Manager on November 1, 2012, with changes approved by the General Manager and General Counsel; and (b) approve payment of \$5 million for purchase of supplies from the international pilot project.

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

**49248** The following communication was submitted to the Board for information:

- a. Proposal to eliminate the Replenishment Service program and adjust Member Agency Tier 1 limits, signed by the General Manager on October 25, 2012.

**49249**      There being no objection, Vice Chairman Record adjourned the Meeting at 2:00 p.m.



JOHN T. MORRIS

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SECRETARY



RANDY A. RECORD

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VICE CHAIRMAN