

MINUTES

REGULAR MEETING OF THE

BOARD OF DIRECTORS

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

JANUARY 8, 2013

49278 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, January 8, 2013.

Vice Chairman J. Murray called the Meeting to order at 11:30 a.m.

49279 The Meeting was opened with an invocation by Rosa Castro, Inspection Trip Specialist.

49280 The Pledge of Allegiance to the Flag was given by Director Gail Pringle.

49281 Board Secretary Morris called the roll. Those answering present were: Directors Abdo, Ackerman, Babcock, Ballin, Barbre, Camacho, De Jesus, Dick, Edwards, Fleming, Friedman, Gray, Griset, Hawkins, Lewinger, Little, Morris, Mudd, J. Murray, K. Murray, Peterson, Pringle, Quiñonez, Record, Wright, and Wunderlich.

Those not answering were: Directors Brown, Evans, Foley, Grunfeld, Lowenthal, Millard, Montalvo, Sanchez, Steiner, and Wilson.

Not Represented: City of Pasadena

Vice Chairman J. Murray declared a quorum present.

49282 Vice Chairman J. Murray invited members of the public to address the Board on matters within the Board's jurisdiction. No members of the public responded.

49283 There being no objection, Vice Chairman J. Murray ordered the reading of the Minutes of the Meeting of December 11, 2012, dispensed with, a copy having been mailed to each Director.

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

49284 A written report of meetings attended by Directors at Metropolitan expense during the month of December was distributed. The report was received and filed.

49285 Director Dick moved, seconded by Director Lewinger and carried, authorizing the preparation of a Commendatory Resolution for former Director Ted Grandsen, representing Calleguas Municipal Water District from February 9, 1993, to December 11, 2012.

49286 Vice Chairman J. Murray reported that Chairman Foley has made the following committee assignments:

Director Fleming as Chairman and Director Wunderlich as Vice Chairman of the Legal and Claims Committee

Director Camacho as Vice Chair of the Organization, Personnel and Technology Committee

Director Edwards as Chairman and Director Friedman as Vice Chair of the Audit and Ethics Committee

Director Pringle as a member of the Audit and Ethics Committee

Directors Camacho and Pringle as members of the Real Property and Asset Management Committee

Director Peterson as Metropolitan's alternate representative on the Colorado River Board

Director Dick moved, seconded by Director Quiñonez and carried, approving the assignments to committees as recommended by Chairman Foley.

49287 There was no Chairman's monthly activity report.

49288 Regarding matters relating to Metropolitan's operations and activities, General Manager Kightlinger referred to the activity report for December dated December 31, 2012, which was posted to the Directors' website.

General Manager Kightlinger commented on the various shutdowns Metropolitan is working on during the winter months when water demands are lower. During these shutdowns, there will be replacement of sections of pipes and valves. Some of these replacements are taking place in coordination with some of the member agencies.

General Manager Kightlinger reported on the recent passing of Bill Swan and Huell Howser. Mr. Swan was an attorney in the Solicitor's Office of the Department of Interior, and then worked in private practice for Imperial Irrigation District, a number of agricultural districts, and Indian tribes. Mr. Howser was a longtime friend of California water who participated in events for Metropolitan. For his television shows, he did episodes on the Colorado River Aqueduct, San Jacinto Tunnel, and Diamond Valley Lake, among others. General Manager Kightlinger requested of Vice Chairman J. Murray that the Board adjourn in memory of Huell Howser.

49289 Regarding Legal Department activities, General Counsel Scully referred to the General Counsel's activity report for December dated January 2, 2013, which was posted to the Directors' website.

General Counsel Scully reported on the letter at each Director's seat from the attorneys representing the Domenigoni family on groundwater issues at Diamond Valley Lake, which the Legal staff is handling.

49290 General Auditor Riss referred to the Audit Department's activity report for the month of December dated December 31, 2012, which was posted to the Directors' website.

General Auditor Riss stated that three reports and one official statement were issued in December. The two audit reports on Operating Revenue--Water Sales and Skinner Water Plant Improvements Program were issued with an opinion of generally satisfactory internal control structure. The third one on the Colorado River Aqueduct Reliability Program 15438 received an opinion of satisfactory internal control structure. Mr. Riss commented that management has responded very quickly and adequately to the findings of these audit reports.

General Auditor Riss also referred to the Official Statement for the Water Revenue Refunding Bonds, 2012 Series G, which was undertaken to provide the underwriters of the bonds "comfort" that the Official Statement for the Bonds was complete and in accordance with agreed-upon procedures.

49291 Ethics Officer Ghaly referred to the Ethics Department activity report for December dated December 31, 2012, which was posted to the Directors' website.

Ethics Officer Ghaly pointed out changes made in the Ethics Officer's monthly report: (1) Addition of a pie chart showing the relative proportions of the types of matters addressed. The purpose of this addition is twofold. One is to understand and analyze where ethics resources are most needed; and the other is to look for more ways to increase transparency and the delivery of the information to the Board. (2) Changes made to reporting matters, which past reports did not distinguish between complaints and requests for advice.

Director Edwards moved, seconded by Director Babcock and carried, and the Board approved the Consent Calendar Items, **M.I. 49292** through **M.I. 49295**, as follows:

49292 Adopted the California Environmental Quality Act (CEQA) determination and (a) appropriated \$790,000 (Appropriation No. 15438, No. 21, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and authorized (b) preliminary design of seismic upgrades for the 6.9 kV switch houses on the Colorado River Aqueduct; and (c) agreement with Niyo & Moore in an amount not to exceed \$900,000 for site assessment services, as set forth in the letter signed by the General Manager on December 20, 2012.

49293 Adopted the CEQA determination and awarded \$672,288.37 procurement contract to CDW to furnish data communication equipment, as set forth in the letter signed by the General Manager on December 20, 2012.

49294 Adopted the CEQA determination and (a) appropriated \$900,000 (Appropriation No. 15392, No. 11, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and (b) authorized final design of sodium hypochlorite and sulfuric acid facilities at the Weymouth plant, as set forth in the letter signed by the General Manager on December 20, 2012.

49295 Adopted the CEQA determination and (a) appropriated \$160,000 (Appropriation No. 15441, No. 50, from the Revenue Bonds, Replacement and Refurbishment or General Funds), and (b) authorized final design of current drain stations on the Sepulveda Feeder, as set forth in the letter signed by the General Manager on December 20, 2012.

49296 On behalf of the Engineering and Operations Committee, Director Peterson moved, seconded by Director Edwards and carried, that the Board adopt the CEQA determination and (a) appropriate \$14.5 million (Appropriation No. 15442, No. 8, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and (b) award \$9,983,091 contract to J. F. Shea Construction, Inc. to construct the Jensen Module No. 1 Filter Surface Wash Upgrades, as set forth in the letter signed by the General Manager dated December 20, 2012.

49297 The following communication was submitted to the Board for information:

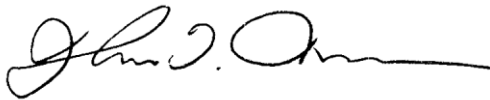
- a. Six-month Financial Review, signed by the General Manager on January 4, 2013.

49298 Director Peterson commented on Huell Howser, the public television star who hosted the TV series "California's Gold" and many other shows focusing on unique and commonplace locales around the state. Director Peterson stated that Mr. Howser was the master of ceremonies at Metropolitan's dedication of Diamond Valley Lake, and requested that the Meeting be adjourned in memory of Huell Howser.

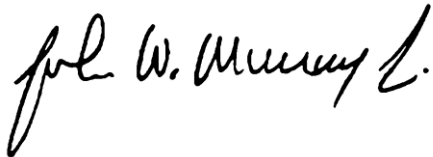
Director Morris also requested that the Meeting be adjourned in memory of Paul Crowley, past mayor of the City of San Marino.

Director Edwards moved, seconded by Director Fleming and carried, that the Meeting be adjourned in memory of Huell Howser and Paul Crowley.

There being no objection, Vice Chairman J. Murray adjourned the Meeting at 11:50 a.m.



JOHN T. MORRIS
SECRETARY



JOHN W. MURRAY, JR.
VICE CHAIRMAN