

**MINUTES**

**REGULAR MEETING OF THE**

**BOARD OF DIRECTORS**

**THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

**FEBRUARY 12, 2013**

**49299** 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 12, 2013.

Vice Chair Gray called the Meeting to order at 11:40 a.m.

**49300** The Meeting was opened with an invocation by Nery Watson, Buyer, Business Technology Group.

**49301** The Pledge of Allegiance to the Flag was given by Vice Chairman J. Murray.

**49302** Board Secretary Morris called the roll. Those answering present were: Directors Abdo, Ackerman, Apodaca, Babcock, Barbre, Brown, Camacho, De Jesus, Dick, Edwards, Evans, Fleming, Friedman, Gray, Griset, Grunfeld, Little, Lowenthal, Morris, Mudd, J. Murray, K. Murray, Peterson, Pringle, Quiñonez, Record, Steiner, Touhey, Vasquez, Wilson, Wright, and Wunderlich.

Those not answering were: Directors Ballin (entered 11:50 a.m.), Foley, Lewinger, and Sanchez.

Not Represented: City of Pasadena

Vice Chair Gray declared a quorum present.

**49303** Vice Chair Gray invited members of the public to address the Board on matters within the Board's jurisdiction.

Michele Staples of Jackson DeMarco Tidus Peckenpaugh, attorney representing the Domenigoni-Barton entities, referred to her letter to the Board dated February 11, 2013, relating to the negotiations between her client and Metropolitan regarding a permanent groundwater mitigation solution. Ms. Staples asked that a member of the Board or a committee take an active participation in the negotiations.

**49304** There being no objection, Vice Chair Gray ordered the reading of the Minutes of the Meeting of January 8, 2013, dispensed with, a copy having been mailed to each Director.

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

**49305** A written report of meetings attended by Directors at Metropolitan expense during the month of January was distributed. The report was received and filed.

**49306** The General Counsel's letter signed February 8, 2013, was presented, transmitting the credentials evidencing the appointment by Upper San Gabriel Valley Municipal Water District of Michael Touhey as its representative on Metropolitan's Board for an indefinite term, replacing Stephen Millard.

General Counsel Scully reported the credentials had been examined and found legally sufficient; and that Mr. Touhey was sworn in on February 8, 2013.

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

West Covina Mayor Pro Tem Steve Herfert introduced Mr. Touhey. A ceremonial Oath of Office as a Director of Metropolitan was administered to Mr. Touhey by Mayor Pro Tem Herfert.

**49307** The General Counsel's letter signed February 4, 2013, was presented, transmitting the credentials evidencing the appointment by Central Basin Municipal Water District of Robert Apodaca as one of its representatives on Metropolitan's Board for an indefinite term, replacing Rudy Montalvo.

General Counsel Scully reported the credentials had been examined and found legally sufficient; and that Mr. Apodaca was sworn in on February 11, 2013.

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

Former Metropolitan's Board Chairman Phillip Pace introduced Mr. Apodaca. A ceremonial Oath of Office as a Director of Metropolitan was administered to Mr. Apodaca by former Chairman Pace.

**49308** The General Counsel's letter signed February 4, 2013, was presented, transmitting the credentials evidencing the appointment by Central Basin Municipal Water District of Leticia Vasquez as one of its representatives on Metropolitan's Board for an indefinite term, replacing Phillip Hawkins.

General Counsel Scully reported the credentials had been examined and found legally sufficient; and that Ms. Vasquez was sworn in on February 11, 2013.

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

Vice Chair Gray introduced Ms. Vasquez. A ceremonial Oath of Office as a Director of Metropolitan was administered to Ms. Vasquez by Vice Chair Gray.

**49309** Vice Chairman J. Murray moved, seconded by Director Lowenthal and carried, authorizing the preparation of a Commendatory Resolution for former Board Chairman Timothy F. Brick, representing the city of Pasadena from June 11, 1985, to December 31, 2012.

**49310** Vice Chair Gray reported that Chairman Foley has made the following committee assignments:

Director Touhey to the Finance and Insurance Committee and the Water Planning and Stewardship Committee

Director Apodaca to the Organization, Personnel and Technology Committee and the Communications and Legislation Committee

Director Vasquez to the Finance and Insurance Committee, the Legal and Claims Committee, and the Real Property and Asset Management Committee

Director Camacho as Chair of the Real Property and Asset Management Committee

Vice Chairman J. Murray moved, seconded by Director Fleming and carried, approving the assignments to committees as recommended by Chairman Foley.

**49311** There was no Chairman's monthly activity report.

**49312** Regarding matters relating to Metropolitan's operations and activities, General Manager Kightlinger referred to the activity report for January dated January 31, 2013, which was posted to the Directors' website.

General Manager Kightlinger reported on the shutdown season—the Colorado River Aqueduct from February 5 until March 1, and the Upper Feeder starting on February 14, 2013.

General Manager Kightlinger commented on the pumping curtailments taking place near the Delta with reduced water supply to both the State Water Project and the Central Valley Project. Mr. Kightlinger stated that there would be press coverage on this matter and he would keep the Board apprised of any new developments.

General Manager Kightlinger remarked on the various audit reports, both internally and externally, of grants received for ozone generation, payroll audit by CalPERS, and water rates audit by the State Auditor. Mr. Kightlinger

reported that the state audit of water rates in southeastern Los Angeles County talked about Metropolitan's comprehensive rate setting process and had no audit recommendations for Metropolitan.

**49313** Regarding Legal Department activities, General Counsel Scully referred to the General Counsel's activity report for January dated February 6, 2013, which was posted to the Directors' website.

General Counsel Scully corrected her statement at the Legal and Claims Committee meeting this morning regarding the Quantification Settlement Agreement litigation and that Imperial Irrigation District had not yet filed its request for a stay in the litigation.

General Counsel Scully invited the new Directors to meet with members of the Legal Department to review the files in the orientation packet and to bring the Directors up to date on the current legal cases.

**49314** General Auditor Riss referred to the Audit Department's activity report for the month of January dated January 31, 2013, which was posted to the Directors' website.

General Auditor Riss commented on the various audits that were mentioned by the General Manager and that all the outside auditors have received full cooperation from Metropolitan's management.

**49315** Ethics Officer Ghaly referred to the Ethics Department activity report for January dated January 31, 2013, which was posted to the Directors' website.

Ethics Officer Ghaly stated her office is available to provide training to new Directors.

Vice Chairman J. Murray moved, seconded by Director Edwards and carried, and the Board approved the Consent Calendar Items, **M.I. 49316** through **M.I. 49322**, as follows:

**49316** Adopted the California Environmental Quality Act (CEQA) determination and authorized the General Manager to grant

two permanent easements to Southern California Edison in Los Angeles and Orange Counties, as set forth in the letter signed by the General Manager on January 16, 2013.

**49317** Adopted the CEQA determination and authorized the General Manager to amend the current license agreement with Desert Sunlight Holdings, LLC, on Metropolitan property in Riverside County, as set forth in the letter signed by the General Manager on January 16, 2013.

**49318** Adopted the CEQA determination and authorized the General Manager to enter into a Local Resources Program agreement for the Round Mountain Water Treatment Plant with Calleguas Municipal Water District and Camrosa Water District for up to 1,000 acre-feet per year of recovered groundwater under terms included in the letter signed by the General Manager on January 29, 2013.

Director Pringle requested to be recorded as abstaining.

Directors Mudd, Steiner, and Wilson requested to be recorded as voting no for the reasons stated in the San Diego County Water Authority's letter dated February 11, 2013.

**49319** Adopted the CEQA determination and resolutions to support WaterSMART grant applications and authorized the General Manager to accept funding and enter into agreements with the Bureau of Reclamation, if awarded, as set forth in the letter signed by the General Manager on January 29, 2013; said resolutions entitled:

**Resolution 9146**

**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 PHASE II CALIFORNIA FRIENDLY TURF REPLACEMENT INCENTIVE PROGRAM**

**Resolution 9147**

**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 LANDSCAPE IRRIGATION  
EFFICIENCY PILOT PROGRAM**

Director Wilson stated that the San Diego County Water Authority supported this motion with the assurance of the General Manager that the WaterSMART grants will be available to all agencies.

**49320** Adopted the CEQA determination and (a) appropriated \$1.58 million (Appropriation No. 15472, No. 2, from the Revenue Bonds, Replacement and Refurbishment or General Funds), and (b) authorized final design of enhanced bromate control systems for the Mills and Weymouth plants, as set forth in the letter signed by the General Manager on January 30, 2013.

**49321** Adopted the CEQA determination and (a) appropriated \$920,000 (Appropriation No. 15376, No. 15, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and (b) awarded \$490,292.26 contract to Global Power Group, Inc. to replace the data center Uninterruptible Power Supply at Metropolitan's Headquarters Building, as set forth in the letter signed by the General Manager dated January 29, 2013.

**49322** Adopted the CEQA determination and (a) appropriated \$225,000 (Appropriation No. 15441, No. 51, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and (b) authorized final design of upgrades to the sodium hypochlorite feed system at Palo Verdes Reservoir, as set forth in the letter signed by the General Manager dated January 30, 2013.

**49323** Finance and Insurance Committee Chairman Grunfeld moved, seconded by Director Edwards and carried, that the Board adopt the CEQA determination and (a) approve the Draft Official Statements substantially in the form attached to the board letter, with changes approved by the General Manager and General Counsel; and authorize (b) the General Manager, or any designee of the Ad Hoc Committee, to execute the Official Statements; (c) distribution of the Official Statements in connection with issuance of the bonds; and (d) the Ad Hoc Committee or its designee to approve and the Chief Financial Officer to execute

amendment and termination of interest rate swaps (in whole or in part) related to the subject refunding, as set forth in the letter signed by the General Manager on January 30, 2013.

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

Director Wilson requested that the letter from the delegates of the San Diego County Water Authority addressed to Chairman Foley and members of the Board, dated February 11, 2013 regarding Board Memo 8-1, be made a part of the record. This material is on file in the Office of the Board Executive Secretary.

**49324** Engineering and Operations Committee Chairman Evans moved, seconded by Director Wright and carried, that the Board adopt the CEQA determinations and (a) appropriate \$4.78 million (Appropriation No. 15440, No. 16, for \$300,000 and Appropriation No. 15380, No. 23, for \$4,480,000, both from the Revenue Bonds, Replacement and Refurbishment or General Funds); and authorize (b) preliminary design to rehabilitate Basins Nos. 5-8 at the Weymouth plant; and (c) final design to rehabilitate Basins Nos. 1-8 at the Diemer plant, as set forth in the letter signed by the General Manager on January 29, 2013.

Director Quiñonez withdrew from the Meeting at 12:14 p.m.

**49325** Engineering and Operations Committee Chairman Evans moved, seconded by Director Grunfeld and carried, that the Board adopt the CEQA determinations and (a) appropriate \$3.2 million (Appropriation No. 15389, No. 12, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and authorize (b) construction of Diemer Oxidation Retrofit Program completion activities; (c) final design and permitting for revegetation of slopes at the Diemer plant; and (d) agreement with Helix Environmental Planning, Inc., in an amount not to exceed \$310,000, for mitigation support services, as set forth in the letter signed by the General Manager on January 29, 2013.

**49326** Engineering and Operations Committee Chairman Evans moved, seconded by Director Grunfeld and carried, that the Board adopt the CEQA determination and (a) **Resolution 9148**; and



(b) authorize the General Manager to enter into Renewable Auction Mechanism 3 Pro Forma Renewable Power Purchase and Sale Agreements with Southern California Edison Company under the terms described in the board letter, with changes approved by the General Manager and General Counsel, for the sale of renewable output from the Red Mountain and Venice Hydroelectric Power Plants, if the General Manager determines the operational and financial requirements are acceptable, as set forth in the letter signed by the General Manager on February 4, 2013, said resolution entitled:

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA AUTHORIZING EXECUTION AND PERFORMANCE OF RENEWABLE POWER PURCHASE AND SALE AGREEMENTS WITH SOUTHERN CALIFORNIA EDISON COMPANY**

**49327** Engineering and Operations Committee Chairman Evans announced that the committee will be hosting an inspection trip of Metropolitan's facilities on March 27, 2013.

General Manager Kightlinger commented on Metropolitan's Annual Report for 2012, which was at each Director's desk.

**49328** There being no objection, Vice Chair Gray adjourned the Meeting at 12:17 p.m.



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



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**GLORIA GRAY**  
**VICE CHAIR**