

MINUTES

REGULAR MEETING OF THE

BOARD OF DIRECTORS

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

APRIL 9, 2013

49356 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, April 9, 2013.

Chairman Foley called the Meeting to order at 11:48 a.m.

49357 The Meeting was opened with an invocation by Drew Jacobs, Senior Occupational Safety & Health Specialist, Water System Operations.

49358 The Pledge of Allegiance to the Flag was given by Director Leticia Vasquez.

49359 Board Secretary Morris called the roll. Those answering present were: Directors Abdo, Ackerman, Apodaca, Babcock, Ballin, Barbre, Brown, Camacho, De Jesus, Dick, Edwards, Evans, Fleming, Foley, Friedman, Gray, Griset, Grunfeld, Kurtz, Lewinger, Little, Lowenthal, Morris, Mudd, J. Murray K. Murray, Peterson, Pringle, Quiñonez, Record, Sanchez, Touhey, Vasquez, Wilson, Wright, and Wunderlich.

Those not answering were: Director Steiner.

Board Secretary Morris declared a quorum present.

49360 Chairman Foley invited members of the public to address the Board on matters within the Board's jurisdiction. No members of the public responded.

49361 There being no objection, Chairman Foley ordered the reading of the Minutes of the Meeting of March 12, 2013, dispensed with, a copy having been mailed to each Director.

Director Grunfeld moved, seconded by Vice Chairman J. Murray and carried, approving the foregoing Minutes as mailed.

49362 A written report of meetings attended by Directors at Metropolitan expense during the month of March was distributed. The report was received and filed.

49363 The General Counsel's letter signed April 2, 2013, was presented, transmitting the credentials evidencing the appointment by the city of Pasadena of Cynthia Kurtz as its representative on Metropolitan's Board for an indefinite term.

General Counsel Scully reported the credentials had been examined and found legally sufficient; and that Director Kurtz was sworn in on April 8, 2013.

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

Following her introduction by city of Pasadena Mayor Bill Bogaard and Phyllis Currie, General Manager of Pasadena's Water and Power Department, Director Kurtz took her seat as a member of the Board.

49364 Vice Chairman J. Murray moved, seconded by Director Dick and carried, approving a 30-day leave of absence for Director Lewinger, effective May 8, 2013.

49365 Chairman Foley presented to Director Ackerman a pin for her five years of service on Metropolitan's Board, representing Municipal Water District of Orange County.

49366 At the recommendation of Chairman Foley, Vice Chairman J. Murray moved, seconded by Director Grunfeld and carried, approving the following committee assignments:

Director Kurtz to the Communications and Legislation Committee and the Finance and Insurance Committee

Director Babcock to the Special Committee on Bay-Delta

49367 There was no Chairman's monthly activity report.

49368 Regarding matters relating to Metropolitan's operations and activities, General Manager Kightlinger referred to the activity report for March dated March 31, 2013, which was posted to the Directors' website.

General Manager Kightlinger reported on the shutdown season, which was very successful, especially on the Colorado River Aqueduct which is now up and running after an eight-pump flow during March.

General Manager Kightlinger announced the Spring Green Expo will take place at Metropolitan on May 16, 2013, which event is sponsored by the employees. There will be a number of innovative conferences, programs, and presentations of green eco devices and products.

49369 Regarding Legal Department activities, General Counsel Scully referred to the General Counsel's activity report for March dated April 2, 2013, which was posted to the Directors' website.

General Counsel Scully reported that a ruling from the court on the Bay-Delta case on the remand was received this morning. The court provided a one-year extension for the development of the new biological opinions for both the smelt and the salmon. The judge stated that at the end of the period, he would consider a provision of additional time if progress is being made, and he asked the parties to submit a joint status report on or before February 14, 2014.

49370 General Auditor Riss referred to the Audit Department's activity report for the month of March dated March 27, 2013, which was posted to the Directors' website.

General Auditor Riss stated that two audit reports were issued during March, along with a remarketing statement for the water revenue refunding bonds. Work with KPMG on a single audit report was also completed which is required whenever Metropolitan receives more than \$500,000 in federal funding in any one year.

49371 Ethics Officer Ghaly referred to the Ethics Department activity report for March dated March 31, 2013, which was posted to the Directors' website.

Ethics Officer Ghaly stated that Metropolitan has achieved 100 percent compliance on the AB 1234 ethics training for Directors and designated employees. She reminded the Board of the continuing obligation of certification renewal every two years. Mrs. Ghaly referenced the change in the graphic on her monthly report.

Director Edwards moved, seconded by Director Fleming and carried, and the Board approved the Consent Calendar Items, **M.I. 49372** through **M.I. 49376**, as follows:

49372 Adopted the California Environmental Quality Act (CEQA) determination and (a) appropriated \$310,000 (Appropriation No. 15438, No. 22, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and (b) authorized preliminary design to refurbish or replace eight radial gates on the Colorado River Aqueduct, as set forth in the letter signed by the General Manager on March 20, 2013.

49373 Adopted the CEQA determination and (a) appropriated \$300,000 (Appropriation No. 15441, No. 54, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and (b) authorized final design of a cathodic protection system for the Allen-McColloch Pipeline, as set forth in the letter signed by the General Manager on March 26, 2013.

49374 Adopted the CEQA determination and (a) appropriated \$135,000 (Appropriation No. 15452, No. 13, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and (b) authorized preliminary design of inlet flash mix chemical containment for Modules Nos. 3 and 4 at the Mills plant, as set forth in the letter signed by the General Manager on March 20, 2013.

49375 Adopted the CEQA determination and (a) appropriated \$1.52 million (Appropriation No. 15480, No. 2, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and authorized (b) preliminary design of repairs to the Lakeview Pipeline; and (c) agreement with LSA Associates, in an amount not to exceed \$500,000, for preparation of environmental documentation, as set forth in the letter signed by the General Manager on March 27, 2013.

49376 Adopted the CEQA determination and (a) appropriated \$1.39 million (Appropriation No. 15484, from the Replacement and Refurbishment Funds); and (b) authorized the PeopleSoft Human Capital Management and Enterprise Learning Management upgrade, as set forth in the letter signed by the General Manager on March 20, 2013.

49377 Chairman Foley stated that Agenda Item 7-6, regarding the writing off of uncollectible cleanup and repair costs, has been withdrawn.

49378 Finance and Insurance Committee Chairman Grunfeld moved, seconded by Board Vice Chairman J. Murray, that the Board adopt the CEQA determination and the following resolutions: (a) Resolution to impose the Readiness-to-Serve Charge; and (b) Resolution to impose the Capacity Charge, as set forth in the letter signed by the General Manager on March 25, 2013, said resolutions entitled:

Resolution 9149 **RESOLUTION OF THE BOARD OF DIRECTORS OF
THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA FIXING AND ADOPTING
A READINESS-TO-SERVE CHARGE EFFECTIVE
JANUARY 1, 2014**

Resolution 9150 **RESOLUTION OF THE BOARD OF DIRECTORS OF
THE METROPOLITAN WATER DISTRICT OF
SOUTHERN CALIFORNIA FIXING AND ADOPTING
A CAPACITY CHARGE EFFECTIVE JANUARY 1,
2014**

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

Chairman Foley called for a vote on the motion to adopt the above-stated resolutions, which carried.

Directors Lewinger, Lowenthal, Mudd, Sanchez, Vasquez, and Wilson requested to be recorded as voting no.

49379 Finance and Insurance Committee Chairman Grunfeld reported that the committee deferred Agenda Item 8-2, the agreement with the California Employees Retiree Benefit Trust Program for administration and investment of pre-funding for Other Post Employee Benefits.

49380 Engineering and Operations Committee Chairman Evans moved, seconded by Board Vice Chairman Record and carried, that the Board adopt the CEQA determination and (a) appropriate \$3.3 million (Appropriation No. 15474, No. 2, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and authorize (b) preliminary design, permitting, and right-of-way planning for access improvements and pipeline protection in the Orange County region; (c) professional services agreement with Carollo Engineers, Inc. in an amount not to exceed \$400,000; and (d) professional services agreement with Riggs and Riggs, Inc. in an amount not to exceed \$100,000, as set forth in the letter signed by the General Manager on March 21, 2013.

49381 Water Planning and Stewardship Committee Chairman De Jesus moved, seconded by Committee Vice Chairman Wright and carried, that the Board adopt the CEQA determination and (a) approve the proposed Foundational Actions Funding Program; and (b) direct staff to issue a Request for Proposals, as set forth in the letter signed by the General Manager on March 26, 2013.

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

49382 Communications and Legislation Committee Chair Ackerman stated that the committee amended the recommendation and therefore moved, seconded by Director Mudd and carried, that the Board adopt the CEQA determination and authorize the General Manager to express Metropolitan's support, in concept, for SB 135 (Padilla, D-Pacoima), with the caveat that there be no authorization for Metropolitan to fund the warning system authorized by the legislation, as set forth in the letter signed by the General Manager on April 3, 2013.

49383 Communications and Legislation Committee Chair Ackerman moved, seconded by Director Mudd and carried, that the Board adopt the CEQA determination and the CEQA Modernization Policy Principles as found in Attachment 1 to the board letter signed by the General Manager on April 3, 2013.

49384 Communications and Legislation Committee Chair Ackerman moved, seconded by Director De Jesus and carried, that the Board adopt the CEQA determination and express support for AB 1156 (V. Perez, D-Coachella) - Palo Verde Irrigation District Act, as set forth in the letter signed by the General Manager on April 2, 2013.

49385 Chairman Foley stated that there was no action taken by the Legal and Claims Committee on Agenda Item 8-8, the status of existing and anticipated litigation regarding plumbing leaks allegedly caused by copper corrosion.

49386 Secretary Morris asked that the Meeting be adjourned in honor of the centennial anniversary of the city of San Marino.

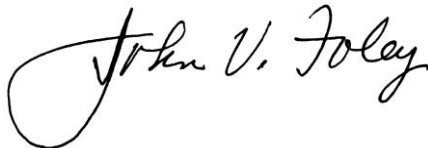
49387 Chairman Foley presented a memento to Board Vice Chairs De Jesus, Gray, Murray, Jr., and Record for their services.

49388 There being no objection, Chairman Foley adjourned the Meeting at 12:19 p.m.



JOHN T. MORRIS

SECRETARY



JOHN V. FOLEY

CHAIRMAN