

MINUTES

REGULAR MEETING OF THE

BOARD OF DIRECTORS

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

JULY 9, 2013

49456 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, July 9, 2013.

Chairman Foley called the Meeting to order at 12:04 p.m.

49457 The Meeting was opened with an invocation by Director Larry Dick.

49458 The Pledge of Allegiance to the Flag was given by Director Cynthia Kurtz.

49459 Board Secretary Morris called the roll. Those answering present were: Directors Abdo, Ackerman, Babcock, Ballin, Barbre, Brown, Camacho, De Jesus, Dick, Edwards, Evans, Fleming, Foley, Friedman, Gray, Griset, Grunfeld, Kurtz, Lewinger, Little, Morris, Mudd, J. Murray, K. Murray, Peterson, Pringle, Record, Sanchez, Steiner, Touhey, Vasquez, and Wunderlich.

Those not answering were: Directors Apodaca, Lowenthal, Quiñonez, and Wilson.

Not Represented: City of Torrance.

Board Secretary Morris declared a quorum present.

49460 At 12:07 p.m., Chairman Foley called a public hearing to receive comments on the standby charge levy supporting Meadowood Annexation to San Diego County Water Authority.

No members of the public responded; and with no protests received from the owners, the Chair closed the public hearing at 12:08 p.m.

49461 Chairman Foley invited members of the public to address the Board on matters within the Board's jurisdiction. No members of the public responded.

49462 There being no objection, Chairman Foley ordered the reading of the Minutes of the Meeting of June 11, 2013, dispensed with, a copy having been mailed to each Director.

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

49463 There was no report of meetings attended by Directors at Metropolitan expense during the month of June.

49464 Director Griset moved, seconded by Director Grunfeld and carried, authorizing the preparation of a Commendatory Resolution for former Director Bill Wright, representing the city of Torrance.

49465 Vice Chairman J. Murray moved, seconded by Director Fleming and carried, adjourning the August Board Meeting to August 20, 2013, to establish the tax rate. (Committees will meet on Monday and Tuesday, August 19 and 20, 2013.)

49466 There were no new committee assignments.

49467 There was no Chairman's monthly activity report.

49468 Regarding matters relating to Metropolitan's operations and activities, General Manager Kightlinger referred to the activity report for June dated June 30, 2013, which was posted to the Directors' website.

General Manager Kightlinger reported that with the recent heat spell, Metropolitan has delivered over 7,000 acre-feet a day. Mr. Kightlinger stated that Metropolitan was

running an eight-pump flow through the Colorado River Aqueduct during this period and that everything was going well.

49469 Regarding Legal Department activities, General Counsel Scully referred to the General Counsel's activity report for June dated July 2, 2013, which was posted to the Directors' website.

General Counsel Scully had no further report.

49470 General Auditor Riss referred to the Audit Department's activity report for the month of June dated June 30, 2013, which was posted to the Directors' website.

General Auditor Riss stated that three audit reports were issued during June, with acceptable opinions. A number of recommendations were made, which management have already addressed. Mr. Riss stated that some of the issues required some policy changes, and he will work with management to address them.

49471 Ethics Officer Ghaly referred to the Ethics Department activity report for June dated June 30, 2013, which was posted to the Directors' website.

Ethics Officer Ghaly had no further report.

Board Vice Chairman De Jesus moved, seconded by Director Edwards and carried, and the Board approved the Consent Calendar Items, **M.I. 49472** through **M.I. 49477**, as follows:

49472 Reviewed and considered information in the Mitigated Negative Declaration and Addendum prepared by the city of Anaheim as Lead Agency, and adopted the Lead Agency's findings, and authorized the General Manager to enter into a Local Resources Program agreement for the Anaheim Water Recycling Demonstration Project with the city of Anaheim for up to 110 acre-feet per year of recycled water under terms included in the letter signed by the General Manager on June 24, 2013.

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

Director K. Murray requested to be recorded as abstaining.

Director Steiner requested that the Water Authority's letter on this item be retained in the record.

49473 Adopted the California Environmental Quality Act (CEQA) determination that the proposed action is not subject to CEQA and is categorically exempt, and by a two-thirds vote, authorized the General Manager to make payment of up to \$571,056 for the Colorado River Board/Six Agency Committee and Colorado River Authority of California for fiscal year 2013/14, as set forth in the letter signed by the General Manager on June 24, 2013.

49474 Adopted the CEQA determination that the proposed action is categorically exempt and (a) appropriated \$550,000 (Appropriation No. 15485 from the Revenue Bonds, Replacement and Refurbishment or General Funds); and (b) authorized procurement and installation of turbidimeters at the Robert A. Skinner Water Treatment Plant, as set forth in letter signed by the General Manager on June 25 2013.

49475 Adopted the CEQA determination that the proposed action is statutorily and categorically exempt and (a) appropriated \$1.9 million (Appropriation No. 15474, No. 3, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and authorized (b) preliminary design, permitting, and right-of-way planning for access improvements and pipeline protection within the western San Bernardino County operating region; (c) detailed investigations of improvements for the Los Angeles County, Riverside County, and San Diego County regions; and (d) professional services agreement with CH2M Hill, Inc. in an amount not to exceed \$250,000, as set forth in the letter signed by the General Manager on June 25, 2013.

49476 Adopted the CEQA determination that the proposed action is defined as both categorically exempt and not a project under CEQA, and (a) appropriated \$1.15 million (Appropriation No. 15380, No. 24, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and authorized (b) final design of seismic upgrades to the Diemer filter outlet conduit; and (c) an increase of \$880,000 to the existing agreement with URS Corporation, for a new not-to-exceed total of \$1,125,000, as set forth in the letter signed by the General Manager on June 25, 2013.

49477 Adopted the CEQA determination that the project is not subject to CEQA and approved the attached salary schedule to the board letter signed by the General Manager on June 25, 2013, pursuant to CalPERS regulations.

49478 Finance and Insurance Committee Chairman Grunfeld reported that Agenda Item 8-1, the approval of the selection of a third-party Other Post Employment Benefits trust provider and authorization to execute an agreement(s) with the board-approved provider, was tabled by the committee. Committee Chairman Grunfeld then moved, seconded by Committee Vice Chairman Barbre and carried, tabling Agenda Item 8-1.

49479 Engineering and Operations Committee Chairman Evans moved, seconded by Director Babcock and carried, that the Board adopt the CEQA determination that the projects are categorically and statutorily exempt and (a) appropriate \$4.53 million (Appropriation No. 15471, No. 5, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and authorize (b) final design and pipe fabrication for urgent prestressed concrete cylinder pipe (PCCP) repairs at the First and Second Sites on the Second Lower Feeder; and (c) final design for urgent PCCP repairs at the Third Site, as set forth in the letter signed by the General Manager on July 2, 2013.

49480 Engineering and Operations Committee Chairman Evans moved, seconded by Director Grunfeld and carried, that the Board adopt the CEQA determination that the proposed action is categorically exempt and (a) appropriate \$4.2 million (Appropriation No. 15442, No. 10, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and authorize (b) final design of the first stage of electrical upgrades at the Jensen plant; and (c) final design of control panel upgrades for the Model No. 1 filter valves, as set forth in the letter signed by the General Manager on June 25, 2013.

Director Steiner withdrew from the Meeting at 12:17 p.m.

49481 Engineering and Operations Committee Chairman Evans moved, seconded by Director Grunfeld and carried, that the Board adopt the CEQA determination that the proposed action has been previously determined to be categorically exempt and (a) appropriate \$2.7 million (Appropriation No. 15373, No. 18, from the Revenue Bonds, Replacement and Refurbishment or General

Funds); (b) award \$1,877,777 contract to L. H. Woods & Sons, Inc. for rehabilitation of the San Jacinto East Adit on the Colorado River Aqueduct; and (c) authorize increase of \$210,000 to the existing agreement with Jacobs Associates, for a new not-to-exceed total of \$575,000, as set forth in the letter signed by the General Manager on June 25, 2013.

49482 Engineering and Operations Committee Chairman Evans moved, seconded by Director Grunfeld and carried, that the Board adopt the CEQA determination that the proposed action is categorically exempt and (a) appropriate \$1.5 million (Appropriation No. 15441, No. 55, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and (b) award \$878,500 contract to Minako America Corp., dba Minco Construction for cathodic protection of the Sepulveda Feeder, as set forth in the revised letter signed by the General Manager on July 2, 2013.

49483 Legal and Claims Committee Chairman Fleming moved, seconded by Board Vice Chairman J. Murray and carried, that the Board adopt the CEQA determination that the proposed actions are not subject to the provisions of CEQA and authorize an increase in maximum amount payable under contracts with (a) Bingham McCutchen LLP by \$1,000,000 to an amount not to exceed \$5,000,000; (b) Morrison & Foerster LLP by \$1,000,000 to an amount not to exceed \$3,000,000; (c) Hanson Bridgett LLP by \$200,000 to an amount not to exceed \$800,000; (d) Executive Presentations, Inc. by \$250,000 to an amount not to exceed \$350,000; and (e) Raftelis Financial Consultants, Inc. by \$100,000 to an amount not to exceed \$200,000, in the litigation *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 July 2, 2013.

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

49484 Legal and Claims Committee Chairman Fleming moved, seconded by Director Edwards and carried, that the Board adopt the CEQA determination that the proposed action is not subject to CEQA and authorize an increase in maximum amount payable under contract with Best, Best & Krieger by \$100,000 to an amount not to exceed \$185,000 for legal services in *The Navajo*

Nation v. United States Department of the Interior, et al., United States District Court for the District of Arizona, Case No. CV 03-0507 JWS, as set forth in the confidential letter signed by the General Counsel on June 24, 2013.

Director Lewinger withdrew from the Meeting at 12:19 p.m.

49485 Chairman Foley stated that Agenda Item 8-8, authorization for the General Manager to negotiate and execute an agreement with Imperial Irrigation District for participation in the Minute 319 Binational Pilot Project, was withdrawn.

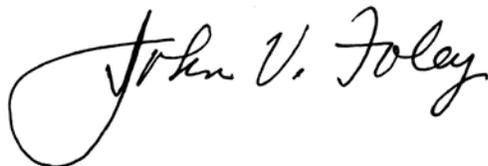
49486 Chairman Foley stated that the performance evaluations for the department heads are an important board responsibility and that the performance evaluations must be completed no later than Friday, July 12, 2013.

49487 Vice Chairman Record announced that recently some Directors toured the Central Valley and met with some of the farmers, who in turn came down and toured some of Metropolitan's facilities. Vice Chairman Record thanked the staff involved for handling this trip, which is a great step in future partnerships with the farmers.

49488 There being no objection, Chairman Foley adjourned the Meeting at 12:24 p.m.



JOHN T. MORRIS
SECRETARY



JOHN V. FOLEY
CHAIRMAN