

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

EXECUTIVE COMMITTEE

August 27, 2013

Chair Foley called the meeting to order at 12:05 p.m. in the Board Room at Metropolitan's Headquarters.

Committee members present: Chair Foley, Vice Chairs De Jesus, Gray, Record and J. Murray, Secretary Morris, Directors Ackerman, Evans, Fleming, Griset, Grunfeld, and Lewinger.

Other Directors present: Directors Babcock, Ballin, Barbre, Brown, Camacho, Dick, Edwards, Kurtz, Peterson, Pringle, Steiner, Vasquez, and Wunderlich.

Staff present: Ardalan, Atkins, Bennion, Breaux, L. Carrillo, Chin, Clairday, Ghaly, Gil de Montes, Green, Ivey, Kightlinger, Man, Mares, Patterson, Pellegrini, Riss, Scully, Tubbs, Wolfe, and Zinke.

1. OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE COMMITTEE ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION

No members of the public responded.

2. APPROVAL OF THE MINUTES OF THE EXECUTIVE COMMITTEE HELD JULY 23, 2013

Motion Carried Moved: Director Grunfeld Seconded: Vice Chair J. Murray

Votes: Unanimous

3. BOARD CHAIRMAN'S REPORT

Chair Foley reported that Michael T. Hogan is the new director from San Diego County Water Authority. He will be formally introduced in at the September Board meeting.

4. CONSENT CALENDAR ITEMS – ACTION

None

5. OTHER BOARD ITEMS – ACTION

None

6. BOARD INFORMATION ITEMS

None

7. COMMITTEE ITEMS

- a. Subject: Approve draft committee and Board meeting agendas, and schedule for September 2013

Presented by: Chair Foley

Motion Carried Moved: Vice Chair J. Murray Seconded: Director Fleming

Votes: Unanimous

- b. Subject: General Manager's report of Metropolitan's activities

Presented by: General Manager Jeffrey Kightlinger

General Manager Kightlinger reported that among Governor Brown's recent appointments to the California Water Commission was Adan Ortega, formally an employee at Metropolitan.

General Manager Kightlinger stated that the dates for the November Board and Committee meetings will need to be discussed and agreed on at the September Executive Committee meeting. Due to the Veterans Day holiday on November 11, 2013, the meetings will either be held the prior week on November 4 and 5, 2013, or all the meetings could be held on November 12, 2013, with a few committees opting not to have a meeting in November.

- c. Subject: General Counsel's report of Legal Department activities

Presented by: General Counsel Marcia Scully

General Counsel Scully reported that she may be adding a closed session item to the September Legal and Claims committee agenda.

- d. Subject: General Auditor's report of Audit Department activities

Presented by: General Auditor Gerry Riss

General Auditor Riss had no report.

- e. Subject: Ethics Officer's report of Ethics Department activities

Presented by: Ethics Officer Deena Ghaly

Ethics Officer Deena Ghaly stated that the Ethics Department has begun implementation of the initiatives approved by the Board at the August meeting. These include recommencing all investigations, working with the Legal and Human Resources departments to finalize arrangements for the new staff position, and planning for upcoming workshops.

8. REPORTS FROM COMMITTEES

- a. Director Grunfeld, Finance and Insurance Committee Chair, reported that in September the committee will consider one consent item. In lieu of hearing the Treasurer's oral report on Metropolitan investment activities, the committee will hear a report from Metropolitan's outside investment management firms, Reams and Hillswick regarding their view of the current market environment and their respective portfolios. A presentation will also be made on Metropolitan's swap policy and portfolio.

In October, the Chief Financial Officer will be reviewing the fiscal year 2014/15 and 2015/16 biennial budget process and calendar with the committee.

- b. Director De Jesus, Water Planning and Stewardship Committee Chair, reported that in September, the committee will hear two action items and hear two informational updates. The first item is a follow-up to action the Board took earlier this year that started the Foundational Actions Funding Program. Staff has reviewed the proposals submitted by the member agencies, and will seek authorization to enter into funding agreements for eligible proposals. The second action item is to authorize staff to implement new conservation program initiatives aimed to increase water use efficiency.

The committee will hear an informational update on the status of Metropolitan's Cyclic Storage Accounts, and a report on the progress being made with the Greater Los Angeles County Integrated Regional Water Management Plan.

- c. Director Evans, Engineering and Operations Committee Chair, reported that the committee will have one action item in September on authorizing the preliminary design to rehabilitate prestressed concrete cylinder pipe portions of the Second Lower Feeder. In addition the committee will hear an oral report on seismic upgrades at the Diemer plant and the Capital Investment Plan quarterly report ending June 30, 2013.

- d. Director J. Murray, Organization, Personnel and Technology Committee Chair, reported on several Business Outreach activities that Metropolitan participated in during the month of August. These included cohosting the eighth annual California Construction Expo in Long Beach and the National Disabled Veteran Business Conference in San Diego.
- e. Director Fleming, Legal and Claims Committee Chair, reported that in September the committee will hear a report on existing litigation, *Oscar Renda Contracting v. MWD*, and consider authorizing an increase in the professional services contracts of Criterium Consulting Group and Lachel & Associates. The committee will also hear reports on the Bay-Delta and San Diego County Water Authority litigation.
- f. Director Ackerman, Communications and Legislation Committee Chair, reported there are no changes to the September Legal and Claims Committee agenda.
- g. Director Camacho, Real Property and Asset Management Committee Chair, reported that the committee has one action item for consideration in September which is to authorize entering into a long-term lease with the Los Angeles County Metropolitan Transportation Authority at Metropolitan's Headquarters building.

9. FOLLOW UP ITEMS

None

10. FUTURE AGENDA ITEMS

None

The meeting was adjourned at 12:23 p.m.

John V. Foley
Chair of the Board