

MINUTES

REGULAR MEETING OF THE

BOARD OF DIRECTORS

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

SEPTEMBER 10, 2013

49525 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, September 10, 2013.

Vice Chairman De Jesus called the Meeting to order at 12:00 p.m.

49526 The Meeting was opened with an invocation by Jose R. Sanchez, Jr., Unit Manager V, Office of the Chief Financial Officer.

49527 The Pledge of Allegiance to the Flag was given by Director Dan Griset.

49528 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, Friedman, Gray, Griset, Grunfeld, Hogan, Kurtz, Little, Lowenthal, Morris, Mudd, J. Murray, Peterson, Pringle, Quiñonez, Sanchez, Steiner, Touhey, Vasquez, and Wunderlich.

Those not answering were: Directors Foley, Lewinger, K. Murray, and Record.

Not Represented: City of Torrance.

Board Secretary Morris declared a quorum present.

49529 Vice Chairman De Jesus invited members of the public to address the Board on matters within the Board's jurisdiction. No members of the public responded.

Director Barbre introduced Mr. Robert Hunter, the new general manager from Municipal Water District of Orange County.

49530 There being no objection, Vice Chairman De Jesus ordered the reading of the Minutes of the Meetings of August 13 and 20, 2013, dispensed with, copies having been mailed to each Director.

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

49531 A written report of meetings attended by Directors at Metropolitan expense during the month of August was distributed. The report was received and filed.

49532 The General Counsel's letter signed August 13, 2013, was presented, transmitting the credentials evidencing the appointment by San Diego County Water Authority of Michael T. Hogan as one of its representatives on Metropolitan's Board for an indefinite term, replacing Doug Wilson.

General Counsel Scully reported the credentials had been examined and found legally sufficient; and that Director Hogan was sworn in on August 27, 2013.

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

Following his introduction by Director Steiner, Director Hogan took his seat as a member of the Board.

Director Steiner also commented on the forthcoming departure of Director Little from the Board.

49533 Director Fleming moved, seconded by Director Edwards and carried, approving the committee assignments for Director Hogan to the Organization, Personnel and Technology Committee and the Real Property and Asset Management Committee.

49534 There was no Chairman's monthly activity report.

49535 Regarding matters relating to Metropolitan's operations and activities, General Manager Kightlinger referred to the activity report for August dated August 31, 2013, which was posted to the Directors' website.

General Manager Kightlinger reported that current water deliveries are close to 7,000 acre-feet daily, which is pretty remarkable. This resulted in typically 500 to 1,000 acre-feet being pulled out of storage each day, with steady deliveries from the Colorado River and the State Water Project. Diamond Valley Lake is 75 to 80 percent full.

49536 Regarding Legal Department activities, General Counsel Scully referred to the General Counsel's activity report for August dated September 4, 2013, which was posted to the Directors' website.

General Counsel Scully had no further report.

49537 General Auditor Riss referred to the Audit Department's activity report for the month of August dated August 30, 2013, which was posted to the Directors' website.

General Auditor Riss had no further report.

49538 Ethics Officer Ghaly referred to the Ethics Department activity report for August dated August 31, 2013, which was posted to the Directors' website.

Ethics Officer Ghaly reported on the status of the three matters that required formal investigations, and that an outside investigator will be working on one of the cases, whereas internal resources will be used on the other two cases.

Ethics Officer Ghaly referred to the forthcoming workshop on September 24, which objective is to visit current internal ethics provisions and discuss possible revisions and clarifications.

Ethics Officer Ghaly announced that attorney Peter Von Haam has now joined the Ethics Department.

Director Grunfeld moved, seconded by Director Edwards and carried, and the Board approved Consent Calendar Item **49539**, as follows:

49539 Reviewed and considered information provided in the certified Environmental Impact Report and adopted the Lead Agency's findings related to the proposed actions and adopted (a) **Resolution 9161** granting San Diego County Water Authority's (SDCWA) request for approval of Meadowood Annexation concurrently to SDCWA and Metropolitan and established Metropolitan's terms and conditions for the annexation, conditioned upon approval by San Diego Local Agency Formation Commission, and upon receipt of annexation fee of \$1,172,420; and (b) **Resolution 9162** to impose water standby charge at a rate of \$11.51 per acre, or per parcel of less than one acre, within the proposed annexation area, as set forth in the letter signed by the General Manager on August 22, 2013, said resolutions entitled:

Resolution 9161 **RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA CONSENTING TO SAN DIEGO COUNTY WATER AUTHORITY'S MEADOWOOD ANNEXATION AND FIXING THE TERMS AND CONDITIONS OF SAID ANNEXATION TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

Resolution 9162 **RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA FIXING AND ADOPTING WATER STANDBY CHARGE CONTINGENT UPON SAN DIEGO COUNTY WATER AUTHORITY'S MEADOWOOD ANNEXATION**

49540 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 \$5.1 million (Appropriation No. 15471, No. 6, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and authorize (b) preliminary design to rehabilitate prestressed concrete cylinder pipe portions of the Second Lower Feeder; (c) agreement with Black & Veatch in an amount not to exceed \$2.78 million to provide engineering services; (d) increase of \$800,000 to the

agreement with ICF International, for a new not-to-exceed total of \$950,000, to prepare environmental documentation; and (e) agreement with DHI, Inc. in an amount not to exceed \$975,000 to develop a system-wide hydraulic model, as set forth in the letter signed by the General Manager on August 22, 2013.

49541 Water Planning and Stewardship Committee Vice Chairman Fleming moved, seconded by Director Griset, that the Board adopt the CEQA determination that the proposed action is categorically exempt and direct staff to enter into funding agreements for the recommended 16 proposals totaling \$3.3 million, as set forth in the letter signed by the General Manager on August 28, 2013.

Director Steiner stated San Diego will be voting no on this item. During the vote on Agenda Item 8-2, Director Steiner provided a letter to the Board Executive Secretary dated September 10, 2013, addressed to Chairman Foley and members of the Board on Item 8-2. No copies of the document were available for review or consideration by the other members of the Board or for public inspection.

Vice Chairman De Jesus called for the motion, which carried.

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

49542 Water Planning and Stewardship Committee Vice Chairman Fleming moved,, seconded by Board Vice Chairman J. Murray and carried, that the Board adopt the CEQA determination that the project is categorically exempt from CEQA and authorize implementation of (a) new conservation program initiatives effective October 1, 2013; and (b) new policy on providing Conservation Credits Program funding to projects conserving recycled water, as set forth in the letter signed by the General Manager on August 22, 2013.

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

49543 Real Property and Asset Management Committee Chairman Camacho stated that a quorum was not present at the committee meeting but those members present unanimously approved the recommendation set forth in Option #1 in the board letter. Committee Chairman Camacho then moved, seconded by Director Dick

and carried, that the Board adopt the CEQA determination that the proposed action is categorically exempt and authorize the General Manager to enter into a long-term lease with the Los Angeles County Metropolitan Transportation Authority at the Metropolitan Headquarters Building in Los Angeles County, as set forth in the confidential letter signed by the General Manager on August 27, 2013.

49544 Legal and Claims Committee Chairman Fleming moved, seconded by Director Griset and carried, that the Board adopt the CEQA determination, and authorize increase in maximum amount payable under contracts with (1) Criterium Consulting Group for consulting services by \$100,000 for an amount not to exceed \$200,000; and (2) Lachel and Associates, Inc. for consulting services by \$100,000 for an amount not to exceed \$200,000, in *Oscar Renda Contracting, Inc. v. MWD*, Superior Court for the County of Riverside, Case No. RIC 1213525, as set forth in the confidential letter signed by the General Counsel on August 28, 2013.

49545 At 12:16 p.m., pursuant to Government Code Section 54957, Vice Chairman De Jesus called the Meeting into closed session to report on action plans by Department Heads.

Director Vasquez withdrew from the Meeting at 12:34 p.m.

Director Quiñonez withdrew from the Meeting at 1:07 p.m.

Director Lowenthal withdrew from the Meeting at 1:09 p.m.

Director Barbre withdrew from the Meeting at 2:00 p.m.

Directors Babcock and Griset withdrew from the Meeting at 2:11 p.m.

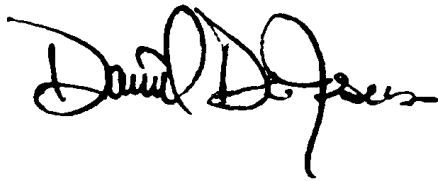
At 2:23 p.m., Vice Chairman De Jesus called the Meeting into open session, and reported that no action was taken.

49546 There being no objection, at 2:24 p.m., Vice Chairman De Jesus adjourned the Meeting.



JOHN T. MORRIS

SECRETARY



DAVID D. DE JESUS

VICE CHAIRMAN