

**MINUTES**

**REGULAR MEETING OF THE**

**BOARD OF DIRECTORS**

**THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

**OCTOBER 8, 2013**

**49547** 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, October 8, 2013.

Chairman Foley called the Meeting to order at 12:05 p.m.

**49548** The Meeting was opened with an invocation by Manuelle Charbonneau, Principal Human Resources Training Specialist, Human Resources Division.

**49549** The Pledge of Allegiance to the Flag was given by Director Thomas Babcock.

**49550** In the absence of Board Secretary Morris, Chairman Foley designated Director Abdo to act as Secretary Pro Tem.

**49551** Secretary Pro Tem Abdo called the roll. Those answering present were: Directors Abdo, Ackerman, Apodaca, Babcock, Ballin, Barbre, Brown, Camacho, Dear, De Jesus, Dick, Edwards, Fleming, Foley, Friedman, Griset, Grunfeld, Hogan, Kurtz, Lefevre, Lewinger, Mudd, J. Murray, K. Murray, Peterson, Pringle, Record, Steiner, Touhey, Vasquez, and Wunderlich.

Those not answering were: Directors Evans, Gray, Lowenthal, Morris, Quiñonez, and Sanchez.

Secretary Pro Tem Abdo declared a quorum present.

**49552** Chairman Foley invited members of the public to address the Board on matters within the Board's jurisdiction.

Lynn V. Dymally introduced herself as a new director of the Water Replenishment District of Southern California.

**49553** There being no objection, Chairman Foley ordered the reading of the Minutes of the Meeting of September 10, 2013, dispensed with, a copy having been mailed to each Director.

Director Fleming moved, seconded by Director Edwards, approving the foregoing Minutes as mailed.

Director Lewinger made reference to a letter from the San Diego County Water Authority delegates dated September 10, 2013 regarding September's Agenda Item 8-2: "Authorize staff to enter into funding agreements for Foundational Actions Funding Program proposals", which was not entered into the record due to the letter not being distributed to the Board and public in time for consideration. Director Lewinger requested that the aforementioned letter be made a part of the record with the approval of the September 10, 2013 minutes.

Chairman Foley called for a vote on the approval of the minutes of September 10, 2013 to include the letter from the San Diego County Water Authority's delegates. The motion carried.

**49554** A written report of meetings attended by Directors at Metropolitan expense during the month of September was distributed. The report was received and filed.

**49556** The General Counsel's letter signed September 24, 2013, was presented, transmitting the credentials evidencing the appointment by the city of Torrance of Russell Lefevre as its representative on Metropolitan's Board for a term ending December 31, 2016, replacing Bill Wright.

General Counsel Scully reported the credentials had been examined and found legally sufficient; and that Director Lefevre was sworn in on September 24, 2013.

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

Following his introduction by Robert Beste, Public Works Director, city of Torrance, Director Lefevre took his seat as a member of the Board.

**49557** Chairman Foley presented to former Director Bill Wright a Commendatory Resolution for his services on Metropolitan's Board, representing the city of Torrance from March 8, 1994 to July 1, 2013.

**49558** The General Counsel's letter signed September 23, 2013, was presented, transmitting the credentials evidencing the appointment by the West Basin Municipal Water District of Donald L. Dear as one of its representatives on Metropolitan's Board for an indefinite term, replacing Edward Little.

General Counsel Scully reported the credentials had been examined and found legally sufficient; and that Director Dear was sworn in on September 24, 2013.

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

Following his introduction by Director Dick, Director Dear took his seat as a member of the Board.

**49559** Chairman Foley appointed the two new Directors to the following committees:

Director Dear to the Finance and Insurance Committee, Legal and Claims Committee, Audit and Ethics Special Committee, and Real Property and Asset Management Committee

Director Lefevre to the Engineering and Operations Committee, Communications and Legislation Committee, and Special Committee on Bay-Delta

**49560** General Manager Kightlinger stated that due to the Veterans Day holiday on Monday, November 11, 2013, which is the normal committee meeting day, the Board will consider whether the meetings in November should be combined and held on Tuesday, November 12 (Option #1), or have all the meetings remain on a normal two-day session on Monday and Tuesday, November 18 and 19 (Option #2).

Following comments made by the Directors, Vice Chairman J. Murray moved, seconded by Director Fleming and carried, that the Board approve Option #2 with the meetings to be held on Monday and Tuesday, November 18 and 19, 2013, as follows:

Monday, November 18

Finance and Insurance Committee	9:00 a.m.
Water Planning and Stewardship Committee	10:00 a.m.
Engineering and Operations Committee	11:00 a.m.
Special Committee on Bay-Delta	1:00 p.m.
Organization, Personnel and Technology Committee (subsequently cancelled)	2:00 p.m.
Audit and Ethics Committee	3:00 p.m.

Tuesday, November 19

Legal and Claims Committee	9:00 a.m.
Communications and Legislation Committee	10:00 a.m.
Board Meeting	12:00 p.m.

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

Director Mudd withdrew from the Meeting at 12:25 p.m.

**49561** There was no Chairman's monthly activity report.

**49562** Regarding matters relating to Metropolitan's operations and activities, General Manager Kightlinger referred to the activity report for September dated September 30, 2013, which was posted to the Directors' website.

General Manager Kightlinger reported on the effects of the federal government's shutdown on some of Metropolitan's grant funds, the water and power services, and the Bay-Delta programs.

General Manager Kightlinger commented on the letter to the Board regarding a Cadiz project and that Metropolitan has nothing pending before the Board regarding this project.

General Manager Kightlinger announced that Roy Wolfe, manager of the Business Technology Group, received the George Warren Fuller award from the American Water Works Association, a prestigious award, and thanked Mr. Wolfe for his services to Metropolitan. Mr. Kightlinger commented on the upcoming events in October—the Greater Los Angeles Water Summit, CORO, and the Southern California Water Committee—and requested Directors to let staff know if they would like to attend any of these events.

**49563** Regarding Legal Department activities, General Counsel Scully referred to the General Counsel's activity report for September dated October 1, 2013, which was posted to the Directors' website.

General Counsel Scully had no further report.

**49564** General Auditor Riss referred to the Audit Department's activity report for the month of September dated September 30, 2013, which was posted to the Directors' website.

General Auditor Riss reported that KPMG is scheduled to finish their audit work this week and will discuss their report and any findings they may have at the October 22, 2013 meeting.

**49565** Ethics Officer Ghaly referred to the Ethics Department revised activity report for September dated October 8, 2013, which was posted to the Directors' website.

Ethics Officer Ghaly reported on the clerical errors in her monthly report and apologized to the Board, and that a new report has been distributed and posted on the website.

Vice Chairman J. Murray moved, seconded by Director Edwards and carried, and the Board approved the Consent Calendar Items, **M.I. 49566** through **M.I. 49572**, as follows:

**49566** Adopted the California Environmental Quality Act (CEQA) that the project is not subject to CEQA and approve amendments to the Administrative Code set forth in Attachment 2 to the letter signed by the Director of Human Resources on September 18, 2013, to reflect the changes recommended in the letter clarifying the Department Head evaluation process.

**49567** Adopted the CEQA determination that the proposed action is categorically exempt and (a) appropriate \$1.70 million (Appropriation No. 15467, No. 3, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and (b) award \$1,028,180.65 contract to N<sup>th</sup> Generation Computing, Inc. for procurement of control system servers, as set forth in the letter signed by the General Manager on September 18, 2013.

**49568** Adopted the CEQA determination that the proposed action has been previously addressed in the Lead Agency's certified Final Environmental Impact Report, Findings of Fact (Findings), Statement of Overriding Considerations (SOC), and Mitigation Monitoring and Reporting Program (MMRP), that Metropolitan has previously adopted the Findings, SOC, and MMRP; and that no further environmental analysis or documentation is required, and authorized the General Manager to execute an agreement with BH Wilshire International, LLC for relocation of the Santa Monica Feeder, as set forth in the letter signed by the General Manager on September 18, 2013.

**49569** Adopted the CEQA determination, and review and consider the adopted 2006 Environmental Assessment/Finding of No Significant Impact and MMRP, the adopted 2009 Subsequent Mitigated Negative Declaration, and the 2010 Addendum prepared by Eastern Municipal Water District (EMWD) as Lead Agency, adopted the Lead Agency's findings, and authorized the General Manager to enter into a Local Resources Program agreement for the Perris II Brackish Groundwater Desalter with EMWD for up to 6,000 acre-feet per year of recovered groundwater under terms included in the letter signed by the General Manager on September 18, 2013.

Vice Chairman Record requested to be recorded as abstaining.

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

**49570** Adopted the CEQA determination that the proposed actions are not subject to CEQA and (a) appropriated \$1.180 million (Appropriation No. 15484, No. 2, from the Revenue Bonds, Replacement and Refurbishment or General Funds); and authorized (b) entering into an agreement with Oracle Corporation, in an amount not to exceed \$390,000, for the purchase of scanning, OCR processing, Oracle E-Business Suite

integration, and data storage software for Oracle's AP Automation System; and (c) entering into an agreement with Application Software Technology Corporation, in an amount not to exceed \$447,000, to provide implementation services for Oracle's AP Automation System, as set forth in the letter signed by the General Manager on September 20, 2013.

**49571** Adopted the CEQA determination that the proposed action is categorically exempt and authorized the General Manager to grant a permanent easement to Southern California Edison Company in Riverside County, as set forth in the letter signed by the General Manager on September 18, 2013.

**49572** Adopted the CEQA determination that Metropolitan previously adopted the Lead Agency's findings and mitigation measures, and authorized the General Manager to grant a permanent easement to Southern California Edison Company in San Bernardino County, as set forth in the letter signed by the General Manager on September 19, 2013.

**49573** Water Planning and Stewardship Committee Chairman De Jesus moved, seconded by Board Vice Chairman J. Murray and carried, that the Board adopt the CEQA determination that the program is not subject to CEQA and authorize the General Manager to enter into an amendment to Metropolitan's Cyclic Storage Agreement with the Upper San Gabriel Valley Municipal Water District and the Main San Gabriel Basin Watermaster consistent with the terms outlined in Attachment 1 to the letter signed by the General Manager on September 20, 2013.

Directors Kurtz and Touhey requested to be recorded as abstaining.

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

Director Lewinger submitted a letter from SDCWA on this item and requested that Directors be given time to review the letter. After a few moments, Director Lewinger moved, seconded by Director Steiner, that this item be tabled for one month.

Directors Hogan, Lewinger, and Steiner voted to approve the motion to table. The motion failed.

**49574** On behalf of the Water Planning and Stewardship Committee, Director Touhey moved, seconded by Director Peterson and carried, that the Board adopt the CEQA determination that the program is not subject to CEQA and authorize the General Manager to enter into an amendment to Metropolitan's Cyclic Storage Agreement with the Three Valleys Municipal Water District and the Main San Gabriel Basin Watermaster consistent with the terms outlined in Attachment 1 to the letter signed by the General Manager on September 20, 2013.

Directors De Jesus and Kurtz requested to be recorded as abstaining.

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

**49575** Water Planning and Stewardship Committee Chairman De Jesus moved, seconded by Committee Vice Chairman Fleming and carried, that the Board adopt the CEQA determination that the proposed action is not defined as a project and there is no possibility that it may have a significant effect on the environment and authorize (a) the General Manager to enter into an agreement with the State Water Contractors, Inc. to pursue 2014 Sacramento Valley water transfer supplies, in a form approved by the General Counsel; and (b) making a \$5 per acre-foot initial administrative deposit and disbursements from that deposit consistent with the agreement not to exceed \$500,000, as set forth in the letter signed by the General Manager on September 20, 2013.

Director Steiner requested that a letter from SDCWA dated October 4, 2013, regarding Agenda Item 8-3, the agreement with the State Water Contractors, Inc. to pursue Sacramento Valley water transfer supplies, be entered into the record. The letter is on file in the office of the Board Executive Secretary.

**49576** Regarding the compensation recommendation for the Department Heads, Chairman Foley stated that the recommendations in the board letter were developed following a thorough evaluation process that included input from Board members and closed session discussions of each Department Head's performance.



Director Peterson moved, seconded by Vice Chairman J. Murray, that the Board adopt the CEQA determination that the proposed action is not defined as a project under CEQA and approve the compensation as recommended by the senior members of the Executive Committee, with an effective date of July 1, 2013, as set forth in the letter of the Board Chairman signed October 8, 2013, as follows

General Manager	Increase of \$18,859 to a new annual salary of \$346,846
General Counsel	Increase of \$13,886 to a new annual salary of \$255,386
General Auditor	Increase of \$11,317 to a new annual salary of \$208,129
Ethics Officer	Remain at current salary of \$145,000

Following a discussion on the salary survey, the comparator agencies used, and the statements in the Administrative Code, Director Barbre moved, seconded by Director Lewinger, that this item be put over for two weeks. After further discussion, Director Barbre withdrew his motion.

Vice Chairman J. Murray moved, seconded by Director Fleming and carried, to call for the question.

Vice Chairman J. Murray then called for the question on the original motion that the Board adopt the CEQA determination that the proposed action is not defined as a project under CEQA and approve the compensation as recommended by the senior members of the Executive Committee, with an effective date of July 1, 2013, as set forth in the letter of the Board Chairman signed October 8, 2013.

Chairman Foley called for the vote, which carried.

Directors Dear, Hogan, Lefevre, and Steiner requested to be recorded as abstaining.

Director Lewinger requested to be recorded as voting no.

**49577** Director Edwards requested that the section of the Administrative Code referring to the Department Heads' compensation be reviewed.

**49578**      There being no objection, the Chairman adjourned the Meeting at 1:27 p.m.

*Judy Abdo*

JUDY ABDO  

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SECRETARY PRO TEM

*John V. Foley*

JOHN V. FOLEY  

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CHAIRMAN