

**THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

**MINUTES**

**EXECUTIVE COMMITTEE**

**February 25, 2014**

Vice Chair Murray called the meeting to order at 12:01 p.m. in the Board Room at Metropolitan's Headquarters.

Members present: Vice Chairs Murray, Gray and De Jesus, Secretary Morris, Directors Camacho, Grisnet and Grunfeld.

Members absent: Chair Foley, Vice Chair Record, Directors Ackerman, and Evans.

Other Board members present: Directors Ballin, Brown, Dear, Dick, Edwards, Hogan, Lefevre (via telephone), Lewinger, Steiner, Touhey (via teleconference), and Wunderlich.

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

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

No members responded.

**2. APPROVAL OF THE MINUTES OF THE EXECUTIVE COMMITTEE MEETING HELD OCTOBER 22, 2013.**

Motion: Carried

Moved: Director Grisnet Seconded: Director Gray

Ayes: Directors Murray, Gray, De Jesus, Morris, Camacho, Grisnet, and Grunfeld

Noes: None

Abstentions: None

Absent: Chair Foley, Vice Chair Record, and Directors Ackerman and Evans

The motion passed by a vote of 7 ayes, 0 no, 0 abstain, and 4 absent.

**3. BOARD CHAIRMAN’S REPORT**

Vice Chair Murray had no report.

**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 March 2014

Presented by: Vice Chair Murray

Motion: Carried

Moved: Director Grunfeld Seconded: Director Griset

Ayes: Directors Murray, Gray, De Jesus, Morris, Camacho, Griset, and Grunfeld

Noes: None

Abstentions: None

Absent: Chair Foley, Vice Chair Record, and Directors Ackerman and Evans

The motion passed by a vote of 7 ayes, 0 no, 0 abstain, and 4 absent.

b. Subject: General Manager’s report of Metropolitan’s activities

Presented by: General Manager Jeffrey Kightlinger

General Manager Kightlinger reported that some winter storm activity is expected but it is unlikely to affect the zero allocation on the State Water Project. The Board will be updated if there are any changes.

Roger Patterson of Metropolitan’s staff is attending meetings on the Bay-Delta

Conservation Plan currently being held in Sacramento.

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

Presented by: General Counsel Marcia Scully

General Counsel Scully stated that she had nothing to add to her written report.

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

Presented by: General Auditor Gerry Riss

General Auditor Riss reported that his department has begun to formulate their business plan and will present it in April to the Audit and Ethics Committee.

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

Presented by: Ethics Officer Deena Ghaly

Ethics Officer Ghaly thanked all the directors who had submitted their Statement of Economic Interest forms, and offered assistance to anyone who may need help completing their filings.

f. Subject: Report on 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 [Conference with legal counsel—existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)]

Presented by: General Counsel Marcia Scully

General Counsel Scully had no report.

## **8. REPORTS FROM COMMITTEES**

a. Subject: Finance and Insurance Committee

Presented by: Chair Grunfeld

Chair Grunfeld reported that the Finance and Insurance Committee held the second of a series of workshops to discuss the budget and rates, and will update the board if any more workshops are scheduled. Chair Grunfeld also reported that two public hearings will be held at the March 11 Board meeting, one to consider suspending the tax rate limitations in Section 124.5 of the Metropolitan Water District Act to maintain the ad valorem tax rate, and the other for comments on proposed water rates and charges.

The March meeting of the Finance and Insurance Committee will include routine updates on investments and financial highlights. Approval will be sought for two annexations, one to Western MWD of Riverside and one to Calleguas MWD. An oral report will be presented on the June 20, 2013 OPEB actuarial valuation.

b. Subject: Water Planning and Stewardship Committee

Presented by: Chair De Jesus

Chairman De Jesus reported that at the March 10 meeting, his committee will receive a detailed update on the current water supply and demand conditions. The committee will consider authorizing entering into a Water Savings Incentive Program agreement with Altman Specialty Plants, Inc. to provide financial incentives for a water use efficiency project. The committee will also consider authorizing entering into an agreement for a pilot program to fund water use efficiency measures for the Colorado River and approve payment of up to \$2 million to help manage the level of Lake Mead in an effort to alleviate future shortage conditions.

Dr. Chris Thornberg will give a presentation on the updated Bay-Delta Conservation Plan economic analysis.

c. Subject: Engineering and Operations Committee

Presented by: Vice Chair Brown

Vice Chair Brown reported that at the March 10 meeting, the committee will consider three action items. They will include rehabilitation projects at the Jensen Plant, a contract to construct a chlorine containment system at Metropolitan's chemical unloading facility and a contract for prestressed concrete cylinder pipe repairs on the Second Lower Feeder. In addition, the committee will hear a report on the Emergency Response Program.

d. Subject: Organization, Personnel and Technology Committee

Presented by: Chair Murray

Chair Murray reported that in March, Metropolitan's Business Outreach Program will be participating in various events and conferences to educate small businesses about Metropolitan's Capital Improvement Project bid opportunities, and to optimize exposure for minority businesses to networking opportunities with member corporations and public agencies.

e. Subject: Legal and Claims Committee

Presented by: Vice Chair Wunderlich

Vice Chair Wunderlich reported that at the March 11 meeting, the committee will hear a report on Administrative Code Section 6433 relating to claims under capital

construction contracts, as well as a report on the Consolidated Delta Smelt Cases and the *San Diego County Water Authority v. Metropolitan Water District of Southern California* litigation.

f. Subject: Communications and Legislation Committee

Presented by: General Manager Jeffrey Kightlinger

General Manager Kightlinger reported that the Communications and Legislation Committee Chair and Vice Chair are both in Washington, DC attending the Association of California Water Agencies DC conference. At the March 11 committee meeting, there will be a number of drought related bills from both the federal and state level that will be discussed.

g. Subject: Real Property and Asset Management Committee

Presented by: Chair Camacho

Chair Camacho had no report.

## 9. FOLLOW-UP ITEMS

None

## 10. FUTURE AGENDA ITEMS

None

Meeting adjourned at 12:15 p.m.

John Murray, Jr.  
Vice Chair of the Board