

**MINUTES**

**REGULAR MEETING OF THE**

**BOARD OF DIRECTORS**

**THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

**DECEMBER 9, 2014**

**49961** 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, December 9, 2014.

Chairman Record called the Meeting to order at 12:00 p.m.

**49962** The Meeting was opened with an invocation by Lisa Ohlund, General Manager, East Orange County Water District.

**49963** The Pledge of Allegiance to the Flag was given by Director Don Calkins.

**49964** Board Secretary Morris called the roll. Those answering present were: Directors Abdo, Ackerman, Apodaca, Arceneaux, Atwater, Barbre, Beard, Blois, Calkins, Camacho, Dake, Dear, De Jesus, Dick, Evans, Gray, Griset, Hawkins, Hogan, Koretz, Kurtz, Lefevre, Lewinger, McKenney, Morris, J. Murray, Peterson, Record, Steiner, Touhey, Tu, and Wunderlich.

Those not answering were: Directors Ballin, Brown, Friedman, Lowenthal (entered 12:29 p.m.), and Quiñonez.

Board Secretary Morris declared a quorum present.

**49965** Chairman Record invited members of the public to address the Board on matters within the Board's jurisdiction. Chairman Record stated that two representatives from member agencies requested to speak on Agenda Item 8-2, and he would call on them when the item comes up for consideration.

**49966** There being no objection, Chairman Record ordered the reading of the Minutes of the Meeting of November 18, 2014, dispensed with, a copy having been mailed to each Director.

Director Koretz requested that the minutes reflect his questions during the General Manager's report regarding Senator Feinstein's drought bill.

Vice Chairman Touhey moved, seconded by Director De Jesus, that the Board approve the foregoing Minutes as amended to reflect the information requested by Director Koretz.

Chairman Record called for a vote to approve the Minutes of the Meeting of November 18, 2014.

The following is a record of the vote:

Ayes: Anaheim (Dir. Calkins, 3,811 votes), Beverly Hills (Dir. Wunderlich, 2,542 votes), Calleguas Municipal Water District (Dir. Blois, 8,583 votes), Central Basin Municipal Water District (Dirs. Apodaca and Hawkins, 12,051 votes), Compton (Dir. Arceneaux, 354 votes), Eastern Municipal Water District (Dir. Record, 6,106 votes), Foothill Municipal Water District (Dir. Atwater, 1,495 votes), Fullerton (Dir. Beard, 1,640 votes), Inland Empire Utilities Agency (Dir. Camacho, 8,841 votes), Las Virgenes Municipal Water District (Dir. Peterson, 2,110 votes), Los Angeles (Ayes: Dirs. Dake, Koretz, and J. Murray. Absent: Dir. Quiñonez. 45,690 votes), Municipal Water District of Orange County (Dirs. Ackerman, Barbre, Dick, and McKenney, 39,131 votes), Pasadena (Dir. Kurtz, 2,386 votes), San Diego County Water Authority (Dirs. Hogan, Lewinger, Steiner, and Tu, 40,164 votes), San Marino (Dir. Morris, 518 votes), Santa Ana (Dir. Griset, 2,187 votes), Santa Monica (Dir. Abdo, 2,885 votes), Three Valleys Municipal Water District (Dir. De Jesus, 5,601 votes), Torrance (Dir. Lefevre, 2,448 votes), Upper San Gabriel Valley Municipal Water District (Dir. Touhey, 8,351 votes), West Basin Municipal Water District (Dirs. Dear and Gray, 15,590 votes), Western Municipal Water District of Riverside County (Dir. Evans, 8,374 votes). Total 220,858 votes.

Noes: None.

Abstain: None.

Absent: Burbank (Dir. Brown, 1,961 votes), Glendale (Dir. Friedman, 2,539 votes), Long Beach (Dir. Lowenthal, 4,355 votes), San Fernando (Dir. Ballin, 162 votes). Total 9,017 votes.

The motion to approve the Minutes of November 18, 2014, passed by a vote of 220,858 ayes and 9,017 absent.

**49967** A written report of meetings attended by Directors at Metropolitan expense during the month of November was distributed. The report was received and filed.

**49968** The General Counsel's letter signed December 1, 2014, was presented, transmitting the credentials evidencing the reappointment by Upper San Gabriel Valley Municipal Water District of Michael Touhey as its representative on Metropolitan's Board for a four-year term effective January 1, 2015.

General Counsel Scully reported the credentials had been examined found legally sufficient; and that Director Touhey was sworn in on December 8, 2014.

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

**49969** Chairman Record presented to Director Barbre a pin for his five years of service on Metropolitan's Board, representing Municipal Water District of Orange County.

**49970** Chairman Record appointed Director Griset to the Agriculture and Business Outreach Committee.

Chairman Record also requested the Board waive the requirement in Administrative Code Section 2401 that committee chairs and vice chairs be appointed at the December Board Meeting and defer those appointments to the Executive Committee meeting on January 27, 2015.

Chairman Record called for a vote to approve the committee assignment and the waiver of Administrative Code Section 2401.

The following is a record of the vote on **M.I. 49970**:

Ayes: Anaheim (Dir. Calkins, 3,811 votes), Beverly Hills (Dir. Wunderlich, 2,542 votes), Calleguas Municipal Water District (Dir. Blois, 8,583 votes), Central Basin Municipal Water District (Dirs. Apodaca and Hawkins, 12,051 votes), Compton (Dir. Arceneaux, 354 votes), Eastern Municipal Water District (Dir. Record, 6,106 votes), Foothill Municipal Water District (Dir. Atwater, 1,495 votes), Fullerton (Dir. Beard, 1,640 votes), Inland Empire Utilities Agency (Dir. Camacho, 8,841 votes), Las Virgenes Municipal Water District (Dir. Peterson, 2,110 votes), Los Angeles (Ayes: Dirs. Dake, Koretz, and J. Murray. Absent: Dir. Quiñonez. 45,690 votes), Municipal Water District of Orange County (Dirs. Ackerman, Barbre, Dick, and McKenney, 39,131 votes), Pasadena (Dir. Kurtz, 2,386 votes), San Diego County Water Authority (Dirs. Hogan, Lewinger, Steiner, and Tu, 40,164 votes), San Marino (Dir. Morris, 518 votes), Santa Ana (Dir. Griset, 2,187 votes), Santa Monica (Dir. Abdo, 2,885 votes), Three Valleys Municipal Water District (Dir. De Jesus, 5,601 votes), Torrance (Dir. Lefevre, 2,448 votes), Upper San Gabriel Valley Municipal Water District (Dir. Touhey, 8,351 votes), West Basin Municipal Water District (Dirs. Dear and Gray, 15,590 votes), Western Municipal Water District of Riverside County (Dir. Evans, 8,374 votes). Total 220,858 votes.

Noes: None.

Abstain: None.

Absent: Burbank (Dir. Brown, 1,961 votes), Glendale (Dir. Friedman, 2,539 votes), Long Beach (Dir. Lowenthal, 4,355 votes), San Fernando (Dir. Ballin, 162 votes). Total 9,017 votes.

The motion to approve the committee assignment and the waiver of Administrative Code Section 2401 passed by a vote of 220,858 ayes and 9,017 absent.

**49971** Chairman Record referred to his written monthly report, which was distributed to the Board.

**49972** Regarding matters relating to Metropolitan's operations and activities, General Manager Kightlinger referred to the General Manager's activity report for November dated November 30, 2014, which was posted to the Directors' website.

General Manager Kightlinger commented on the retirement of his assistant Brenda Glisson, who has been with Metropolitan 13.5 years.

General Manager Kightlinger reported on just receiving the permits from the State Water Resources Control Board for the delivery of Colorado River water to the Upper San Gabriel Valley Municipal Water District. There had been difficulties in making deliveries of Colorado River water due to quagga mussels. Staff will continue to work on such deliveries to Central Basin Municipal Water District and other member agencies.

General Manager Kightlinger stated that staff will come back in the spring with appropriate policy considerations on the turf replacement program and the other rebate programs.

**49973** Regarding Legal Department activities, General Counsel Scully referred to the General Counsel's activity report for November dated December 1, 2014, which was posted to the Directors' website.

General Counsel Scully had no additional items to report.

General Counsel Scully thanked the Board and members of the Executive staff for their support this year on challenging issues, especially with the retirement of Assistant General Counsel Bennion and the absence of Assistant General Counsel Beatty on family leave.

**49974** General Auditor Riss referred to the Audit Department's activity report for the month of November dated November 30, 2014, which was posted to the Directors' website.

General Auditor Riss commented on the audits completed with management already responding to the examinations.

**49975** Ethics Officer Ghaly referred to the Ethics Department activity report for November dated December 3, 2014, which was posted to the Directors' website.

Ethics Officer Ghaly reminded the Board and Executive staff of the gift reporting requirements and gift limits, especially during this holiday season.

Director Steiner commented on the draft of the SB 60 report and that Directors were advised that the Ethics Office would file a separate report as part of the SB 60 report. Director Steiner requested that the Board also see this report before it is sent to the Legislature.

Director Dear moved, seconded by Vice Chairman Touhey, that the Board approve the Consent Calendar Items, **M.I. 49976** and **M.I. 49977** as follows:

**49976** Review and consider information provided in the certified Final Environmental Impact Report and adopt the Lead Agency's findings related to the proposed actions, and (a) adopt **Resolution 9184** granting approval for the Campus Park West Annexation concurrently to San Diego County Water Authority (SDCWA) and Metropolitan and establish Metropolitan's terms and conditions for the annexation, conditioned upon approval by San Diego County's Local Agency Formation Commission, and upon receipt of annexation fee of \$454,530.12; and (b) approve SDCWA's Statement of Compliance with the current Water Use Efficiency Guidelines, as set forth in Agenda Item 7-1 board letter, said resolution entitled:

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA CONSENTING TO SAN DIEGO COUNTY WATER DISTRICT'S CAMPUS PARK WEST ANNEXATION AND FIXING THE TERMS AND CONDITIONS OF SAID ANNEXATION TO THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

**49977** Adopt the CEQA determination that the proposed action is exempt from CEQA, and (a) appropriate \$880,000 (Appropriation No. 15458, No. 7); and authorize (b) design of seismic upgrades to the Foothill Hydroelectric Plan and Carbon Creek Pressure Control Structure; and (c) design of seismic upgrades to service connection structures on the Allen-McColloch Pipeline, as set forth in Agenda Item 7-2 board letter.

Chairman Record called for a vote to approve the Consent Calendar Items, **M.I. 49976** and **M.I. 49977**.

The following is a record of the vote:

Ayes: Anaheim (Dir. Calkins, 3,811 votes), Beverly Hills (Dir. Wunderlich, 2,542 votes), Calleguas Municipal Water District (Dir. Blois, 8,583 votes), Central Basin Municipal Water

District (Dirs. Apodaca and Hawkins, 12,051 votes), Compton (Dir. Arceneaux, 354 votes), Eastern Municipal Water District (Dir. Record, 6,106 votes), Foothill Municipal Water District (Dir. Atwater, 1,495 votes), Fullerton (Dir. Beard, 1,640 votes), Inland Empire Utilities Agency (Dir. Camacho, 8,841 votes), Las Virgenes Municipal Water District (Dir. Peterson, 2,110 votes), Los Angeles (Ayes: Dirs. Dake, Koretz, and J. Murray. Absent: Dir. Quiñonez. 45,690 votes), Municipal Water District of Orange County (Dirs. Ackerman, Barbre, Dick, and McKenney, 39,131 votes), Pasadena (Dir. Kurtz, 2,386 votes), San Diego County Water Authority (Dirs. Hogan, Lewinger, Steiner, and Tu, 40,164 votes), San Marino (Dir. Morris, 518 votes), Santa Ana (Dir. Griset, 2,187 votes), Santa Monica (Dir. Abdo, 2,885 votes), Three Valleys Municipal Water District (Dir. De Jesus, 5,601 votes), Torrance (Dir. Lefevre, 2,448 votes), Upper San Gabriel Valley Municipal Water District (Dir. Touhey, 8,351 votes), West Basin Municipal Water District (Dirs. Dear and Gray, 15,590 votes), Western Municipal Water District of Riverside County (Dir. Evans, 8,374 votes). Total 220,858 votes.

Noes: None.

Abstain: None.

Absent: Burbank (Dir. Brown, 1,961 votes), Glendale (Dir. Friedman, 2,539 votes), Long Beach (Dir. Lowenthal, 4,355 votes), San Fernando (Dir. Ballin, 162 votes). Total 9,017 votes.

The motion to approve the Consent Calendar Items passed by a vote of 220,858 ayes and 9,017 absent

**49978** Water Planning and Stewardship Committee Chairman De Jesus made reference to the letter from the San Diego County Water Authority's delegation to Chairman Record and the Board of Directors dated December 8, 2014, regarding opposition to the conservation incentives. Committee Chairman then moved, seconded by Director Camacho, that the Board adopt the CEQA determination that the proposed action is not defined as a project and is not subject to CEQA, and authorize (a) the increase in conservation budget of \$40 million, from \$60 million to \$100 million; and (b) the General Manager to amend Agreement No. 129415 with Electric and Gas Industries Association to increase contract capacity authority from \$90 million to \$290 million to allow for the increased activity in Metropolitan's regional rebate program, as set forth in Agenda Item 8-1 board letter.

Chairman Record called for a vote to approve **M.I. 49978**.

The following is a record of the vote:

Ayes: Anaheim (Dir. Calkins, 3,811 votes), Beverly Hills (Dir. Wunderlich, 2,542 votes), Calleguas Municipal Water District (Dir. Blois, 8,583 votes), Central Basin Municipal Water District (Dirs. Apodaca and Hawkins, 12,051 votes), Compton (Dir. Arceneaux, 354 votes), Eastern Municipal Water District (Dir. Record, 6,106 votes), Foothill Municipal Water District (Dir. Atwater, 1,495 votes), Fullerton (Dir. Beard, 1,640 votes), Inland Empire Utilities Agency (Dir. Camacho, 8,841 votes), Las Virgenes Municipal Water District (Dir. Peterson, 2,110 votes), Los Angeles (Ayes: Dirs. Dake, Koretz, and J. Murray. Absent: Dir. Quiñonez. 45,690 votes), Municipal Water District of Orange County (Dirs. Ackerman, Barbre, Dick, and McKenney, 39,131 votes), Pasadena (Dir. Kurtz, 2,386 votes), San Marino (Dir. Morris, 518 votes), Santa Ana (Dir. Griset, 2,187 votes), Santa Monica (Dir. Abdo, 2,885 votes), Three Valleys Municipal Water District (Dir. De Jesus, 5,601 votes), Torrance (Dir. Lefevre, 2,448 votes), Upper San Gabriel Valley Municipal Water District (Dir. Touhey, 8,351 votes), West Basin Municipal Water District (Dirs. Dear and Gray, 15,590 votes), Western Municipal Water District of Riverside County (Dir. Evans, 8,374 votes). Total 180,694 votes.

Noes: San Diego County Water Authority (Dirs. Hogan, Lewinger, Steiner, and Tu, 40,164 votes). Total 40,164 votes.

Abstain: None.

Absent: Burbank (Dir. Brown, 1,961 votes), Glendale (Dir. Friedman, 2,539 votes), Long Beach (Dir. Lowenthal, 4,355 votes), San Fernando (Dir. Ballin, 162 votes). Total 9,017 votes.

The motion to approve **M.I. 49978** passed by a vote of 180,694 ayes, 40,164 noes, and 9,017 absent.

Directors Hogan and Tu withdrew from the Meeting at 12:17 p.m.

**49979** Chairman Record called on members of the public who wished to comment on Agenda Item 8-2, the adjustments to Metropolitan's Water Supply Allocation Plan.



David Pettijohn, Director of Water Resources, Los Angeles Department of Water and Power, made comments in support of Item 8-2 without an adjustment for groundwater allocations.

Paul Jones, General Manager, Eastern Municipal Water District, made comments in support of Item 8-2 and the balanced process used to develop the staff recommendation and get member agency input.

Director Koretz stated that after discussion in committee, and unless the proposed adjustment for a separate replenishment allocation is deleted, the Los Angeles delegation will be voting no on this item. Director Koretz said it does not incentivize conservation, which is a step in the wrong direction.

Water Planning and Stewardship Committee Chairman De Jesus moved, seconded by Director Barbre, that the Board adopt the CEQA determination that the item is categorically and statutorily exempt and approve adjustments to the Water Supply Allocation Plan, as set forth in Agenda Item 8-2 board letter.

Comments in support of Item 8-2 were made by Directors Dick, Touhey, Peterson, and Calkins.

Director Lowenthal took her seat at 12:29 p.m.

Director Lewinger requested that the letter from the San Diego County Water Authority delegation dated December 8, 2014, addressed to Chairman Record and members of the Board regarding Board Memo 8-2, be made a part of the record.

Chairman Record called for a vote to approve  
**M.I. 49979.**

The following is a record of the vote:

Ayes: Anaheim (Dir. Calkins, 3,811 votes), Beverly Hills (Dir. Wunderlich, 2,542 votes), Calleguas Municipal Water District (Dir. Blois, 8,583 votes), Central Basin Municipal Water District (Dirs. Apodaca and Hawkins, 12,051 votes), Compton (Dir. Arceneaux, 354 votes), Eastern Municipal Water District (Dir. Record, 6,106 votes), Foothill Municipal Water District (Dir. Atwater, 1,495 votes), Fullerton (Dir. Beard, 1,640 votes), Inland Empire Utilities Agency (Dir. Camacho, 8,841 votes), Las Virgenes Municipal Water District (Dir. Peterson, 2,110

votes), Long Beach (Dir. Lowenthal, 4,355 votes), Municipal Water District of Orange County (Dirs. Ackerman, Barbre, Dick, and McKenney, 39,131 votes), Pasadena (Dir. Kurtz, 2,386 votes), San Marino (Dir. Morris, 518 votes), Santa Ana (Dir. Griset, 2,187 votes), Santa Monica (Dir. Abdo, 2,885 votes), Three Valleys Municipal Water District (Dir. De Jesus, 5,601 votes), Torrance (Dir. Lefevre, 2,448 votes), Upper San Gabriel Valley Municipal Water District (Dir. Touhey, 8,351 votes), West Basin Municipal Water District (Dirs. Dear and Gray, 15,590 votes), Western Municipal Water District of Riverside County (Dir. Evans, 8,374 votes). Total 139,359 votes.

Noes: Los Angeles (Noes: Dirs. Dake, Koretz, and J. Murray. Absent: Dir. Quiñonez. 45,690 votes), San Diego County Water Authority (Noes: Dirs. Lewinger and Steiner. Absent: Dirs. Hogan and Tu. 40,164 votes). Total 85,854 votes.

Abstain: None.

Absent: Burbank (Dir. Brown, 1,961 votes), Glendale (Dir. Friedman, 2,539 votes), San Fernando (Dir. Ballin, 162 votes). Total 4,662 votes.

The motion to approve **M.I.49979** passed by a vote of 139,359 ayes, 85,854 noes, and 4,662 absent.

**49980** Communications and Legislation Committee Chair Ackerman stated that the committee amended the second bullet in the board letter under the *Water Quality* section to read:

Support legislation, initiatives and funding to protect and improve water quality from unacceptable risks from various constituents, including but not limited to chromium 6, nitrate, perchlorate, salinity, uranium, various fuels and their additives, pharmaceuticals/personal care products, and other constituents of emerging concern.

Communications and Legislation Committee Chair Ackerman then moved, seconded by Director Kurtz, that the Board adopt the CEQA determination that the proposed action is not subject to CEQA and is categorically exempt, and adopt the Legislative Strategy for 2015/16, as set forth in Agenda Item 8-3 board letter as amended.

Chairman Record called for a vote to approve **M.I. 49980**.

The following is a record of the vote:

Ayes: Anaheim (Dir. Calkins, 3,811 votes), Beverly Hills (Dir. Wunderlich, 2,542 votes), Calleguas Municipal Water District (Dir. Blois, 8,583 votes), Central Basin Municipal Water District (Dirs. Apodaca and Hawkins, 12,051 votes), Compton (Dir. Arceneaux, 354 votes), Eastern Municipal Water District (Dir. Record, 6,106 votes), Foothill Municipal Water District (Dir. Atwater, 1,495 votes), Fullerton (Dir. Beard, 1,640 votes), Inland Empire Utilities Agency (Dir. Camacho, 8,841 votes), Las Virgenes Municipal Water District (Dir. Peterson, 2,110 votes), Long Beach (Dir. Lowenthal, 4,355 votes), Los Angeles (Ayes: Dirs. Dake, Koretz, and J. Murray. Absent: Dir. Quiñonez. 45,690 votes), Municipal Water District of Orange County (Dirs. Ackerman, Barbre, Dick, and McKenney, 39,131 votes), Pasadena (Dir. Kurtz, 2,386 votes), San Diego County Water Authority (Ayes: Dirs. Lewinger and Steiner. Absent: Dirs. Hogan and Tu. 40,164 votes), San Marino (Dir. Morris, 518 votes), Santa Ana (Dir. Griset, 2,187 votes), Santa Monica (Dir. Abdo, 2,885 votes), Three Valleys Municipal Water District (Dir. De Jesus, 5,601 votes), Torrance (Dir. Lefevre, 2,448 votes), Upper San Gabriel Valley Municipal Water District (Dir. Touhey, 8,351 votes), West Basin Municipal Water District (Dirs. Dear and Gray, 15,590 votes), Western Municipal Water District of Riverside County (Dir. Evans, 8,374 votes). Total 225,213 votes.

Noes: None.

Abstain: None.

Absent: Burbank (Dir. Brown, 1,961 votes), Glendale (Dir. Friedman, 2,539 votes), San Fernando (Dir. Ballin, 162 votes). Total 4,662 votes.

The motion to approve **M.I. 49980** passed by a vote of 225,213 ayes and 4,662 absent.

**49981** Chairman Record stated that Agenda Item 8-4 regarding the contract with Van Ness Feldman LLP for legal services for preparation of the Bay Delta Conservation Plan has been deferred.

**49982** The following communications were submitted to the Board for information:

- a. Overview of proposed memorandum of understanding for Colorado River-related pilot drought response actions.
- b. Report on Federal Drought Legislation (no letter).

**49983** Vice Chairman J. Murray noted that there were conflicting media reports regarding the position of Senator Barbara Boxer on proposed Federal Drought Legislation. Vice Chairman J. Murray directed staff, in the future, to maintain contacts with California's elected representatives so that the Board can be advised of representatives and senators who support and oppose any bill and the reason for their positions.

**49984** Director Peterson requested that his name be added to the attendance list of Directors' at the meeting of the Los Angeles Area Chamber of Commerce - State of L.A. Infrastructure Event on November 12, 2014.

**49985** There being no objection, Chairman Record adjourned the Meeting at 12:39 p.m.



**JOHN T. MORRIS**

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**SECRETARY**



**RANDY A. RECORD**

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**CHAIRMAN**