

3. CHAIRMAN'S REPORT

Chair Record had no report.

4. OTHER MATTERS

a. Subject: Committee memberships/leadership changes (to be confirmed by Board February 10, 2015)

Presented by: Chair Record

Chair Record stated that, pursuant to Administrative Code Section 2401, he has made committee appointments and changes as follows:

Director Dick as Chair of Agriculture and Industry Relations Committee

Director Beard as Vice Chair of Agriculture and Industrial Relations Committee

Director Friedman as Chair of the Audit and Ethics Committee

Director Dear as Vice Chair of the Audit and Ethics Committee

Director Peterson as Chair of the Special Committee on Bay-Delta

Director Lefevre as Vice Chair of the Special Committee on Bay-Delta

Director Kurtz as Chair of the Communications and Legislation Committee

Director Gray as Vice Chair of the Communications and Legislation Committee

Director Barbre as Chair of the Finance and Insurance Committee

Director Wunderlich as Vice Chair of the Finance and Insurance Committee

Director Peterson as Chair of the Engineering and Operations Committee

Director Blois as Vice Chair of the Engineering and Operations Committee

Director Quiñonez as Chair of the Legal and Claims Committee

Director McKenney as Vice Chair of the Legal and Claims Committee

Director Murray as Chair of the Organization, Personnel and Technology Committee

Director Camacho as Vice Chair of the Organization, Personnel and Technology Committee

Director Camacho as Chair of the Real Property and Asset Management Committee

Director Dake as Vice Chair of the Real Property and Asset Management Committee

Director De Jesus as Chair of the Water Planning and Stewardship Committee

Director Atwater as Vice Chair of the Water Planning and Stewardship Committee

Motion: Carried
 Moved: Director Barbre Seconded: Director Morris
 Ayes: Directors Record, Ackerman, Gray, Murray, Touhey, Morris, Camacho, Grisnet, Barbre, De Jesus, Evans, and Quiñonez
 Noes: None
 Abstentions: None
 Absent: None

The motion passed by a vote of 12 ayes, 0 no, 0 abstain, and 0 absent.

c. Subject: Adopt recommendation for proposed changes to name and purpose of Agriculture and Business Outreach Committee

Presented by: Chair Record

Chair Record called on Vice Chair Lefevre.

Director Lefevre stated that at its meeting on January 27, 2015, the Agriculture and Business Outreach Committee discussed changing the committee's name and amending its purpose. The committee will work to expand Metropolitan's understanding of business and agriculture water issues, identify opportunities for collaboration to advance the mutual interests of urban and agricultural water users, and recommend to the Board policies and programs to strengthen the relationships with agricultural and business communities.

Motion: Approve name change of Agriculture and Business Outreach Committee to Agriculture and Industry Relations Committee and amend the committee's purpose.

Motion: Carried
 Moved: Director Lefevre Seconded: Director Touhey
 Ayes: Directors Record, Ackerman, Gray, Murray, Touhey, Morris, Camacho, Grisnet, Barbre, De Jesus, Evans, and Quiñonez
 Noes: None
 Abstentions: None
 Absent: None

The motion passed by a vote of 12 ayes, 0 no, 0 abstain, and 0 absent.

5. CONSENT CALENDAR ITEMS – ACTION

None

6. OTHER BOARD ITEMS – ACTION

None

7. BOARD INFORMATION ITEMS

None

8. COMMITTEE ITEMS

a. Subject: Approve draft committee and Board meeting agendas, and schedule for February 2015

 Presented by: Chair Record

 Motion: Approve draft committee and board meeting agendas and schedule for February 2015

Motion: Carried

Moved: Director Murray Seconded: Director Camacho

Ayes: Directors Record, Ackerman, Gray, Murray, Touhey, Morris, Camacho, Griset, Barbre, De Jesus, Evans, and Quiñonez

Noes: None

Abstentions: None

Absent: None

The motion passed by a vote of 12 ayes, 0 no, 0 abstain, and 0 absent.

- b. Subject: General Manager's report of Metropolitan's activities
- Presented by: General Manager Jeffrey Kightlinger

General Manager Kightlinger presented Board Executive Secretary Dawn Chin with a pin commemorating 40 years of service to the Metropolitan Water District.

General Manager Kightlinger informed the committee that Senator Stone from the Riverside area has introduced a bill that would allow for full body contact at Diamond Valley Lake. This is an issue that has been brought up before and that Metropolitan has always opposed due to human health and safety concerns as well as water quality issues.

General Manager Kightlinger announced that Metropolitan's annual Spring Green event will be held on April 30, 2015 here at Metropolitan. Several directors have expressed interest in touring Metropolitan's data center and operations. Dates will be announced in the near future as to when these tours will be conducted.

- c. Subject: General Manager's Business Plan – Six Month Review
- Presented by: General Manager Jeffrey Kightlinger

General Manager Kightlinger stated that the purpose of this item on the agenda was to highlight some upcoming events and to inform directors as to what has already been accomplished.

General Manager Kightlinger restated to the Board the five main strategic priorities that were outlined at the beginning of the fiscal year. Those were to complete the Bay Delta Conservation Plan environmental impact report and statement, develop water supplies and manage water reserves, educate the public and stakeholders on water supply issues, work on employee development, and work on updating local projects and the Integrated Resource Plan.

The comment period on the draft EIR/EIS was concluded in July 2014. The State Treasurer's office in November released a study on the affordability and financing considerations for the Bay Delta Conveyance Facility. New methods to calculate delta smelt impact and incidental take levels accepted by the US Fish and Wildlife Service have benefited State Water Project operations. Work is being completed on the draft of a Delta Flood Emergency Preparedness Response and Recovery Plan.

Metropolitan closed out the year with 1.1 million acre feet in our operational water reserves and close to 700,000 acre-feet in the strategic emergency reserves. The Colorado River Aqueduct continued to operate on an 8-pump flow and Metropolitan was able to deliver Colorado River water further north west in its service area than had been delivered before.

The Board adopted changes to the Water Supply Allocation Plan in December 2014 to

provide measures in the event of continuing drought in the region. The Board authorized an increase of funding for conservation and Metropolitan is continuing to educate the public and emphasize the importance of conservation. The significant increase in dollars allocated to public education campaigns on water supply issues have resulted in a much higher awareness level in the general public and stakeholders about the drought, which was reflected in the high public support for the State Water Bond.

In July 2014, Human Resources Group held a district-wide management forum. Cross training was emphasized as a way to develop employees for future promotional opportunities and to capture information and expertise from Metropolitan employees who are retiring. In the past few years Metropolitan was only replacing one employee for every 2 or 3 that retired or left, but now the ratio is back to replacing each employee that leaves with a new employee. The Board will receive a report on succession planning and diversity efforts in the workforce.

Metropolitan has adopted improvements and authorized refinements to the Local Resources Plan. Going forward, Metropolitan will be updating its Integrated Resources Plan.

The priorities that Metropolitan will emphasize in 2015 will include managing our existing water supplies and making arrangements for transfers and exchanges to increase supply, review the effectiveness and continue to emphasize conservation education programs, update the Board on seismic preparedness and give a report on our cyber and physical security efforts. The Board will also receive a report on our financial internal controls over disbursements.

- d. Subject: General Counsel's report of Legal Department activities
- Presented by: General Counsel Marcia Scully

General Counsel Scully had no report.

- e. Subject: General Auditor's report of Audit Department activities
- Presented by: General Auditor Gerry Riss

General Auditor Riss reported that Deputy General Auditor Ann Pellegrini tendered her resignation from Metropolitan effective February 2015. Recruitment for her replacement has begun.

- f. Subject: Ethics Officer's report of Ethics Department activities
Presented by: Ethics Officer Deena Ghaly

Ethics Officer Ghaly stated that a communication from the Ethics Department will be sent to all directors within the next two weeks with instructions for the upcoming disclosure requirements. The instructions are for manual filing only but the Ethics Department is working with Metropolitan's Internet Technology section to review proposals from the two vendors that provide electronic filing services.

9. REPORTS FROM COMMITTEES

- a. Subject: Finance and Insurance Committee
Presented by: Committee Chair Barbre

Committee Chair Barbre had no report.

- b. Subject: Water Planning and Stewardship Committee
Presented by: Committee Chair De Jesus

Committee Chair De Jesus reported that in February the committee will consider an action item to approve Metropolitan's participation in the 2015 and 2016 State Water Market Pool. This will allow Metropolitan to purchase unused State Water Project supplies from the Multi-Year Water Pool Demonstration Program.

The committee will hear a report on the conservation program focusing on potential revisions to the turf removal program, and a report of the recent findings from the external auditor on the Statement of Charges that Metropolitan pays for the State Water Project. Staff will also present a time line and concepts for the update to the Integrated Resources Plan and give a Water Supply and Drought Management report which will provide scenarios of supply and use of storage this year.

Director Griset withdrew from the meeting at 12:30 p.m.

- c. Subject: Engineering and Operations Committee
Presented by: Committee Chair Evans

Committee Chair Evans stated that the committee will hear a quarterly report on the Capital Investment Plan for the period ending December 2014. The tour of the San Jacinto tunnel will take place February 25 and 26, 2015 and directors are encouraged to attend.

- d. Subject: Organization, Personnel and Technology Committee
Presented by: Committee Chair J. Murray

Committee Chair Murray reported that in February, the committee will hear a report on the results of the Voices 2014 Employee Survey.

Committee Chair Murray also reported that in March, the committee will consider plans for the 2015 Salary/Wage reopener in preparation for the next round of MOU negotiations with employee bargaining units. The committee will also receive updates on Metropolitan's IT strategic plan and cyber security activities. Both of those items will be heard in closed session.

- e. Subject: Legal and Claims Committee
Presented by: Chair Quiñonez

Committee Chair Quiñonez reported that in February, the committee will hear in closed session, updates on existing litigation including *Consolidated Delta Smelt and Salmonid Cases*, and the *San Diego County Water Authority v. Metropolitan* lawsuits.

- f. Subject: Communications and Legislation Committee
Presented by: Chair Ackerman

Committee Chair Ackerman had no report.

10. FOLLOW-UP ITEMS

None

11. FUTURE AGENDA ITEMS

Director Touhey asked if the committee meetings on February 24, 2015 would take place since the Association of California Water Agencies DC conference occurs at the same time. He was informed that committee meetings will continue as scheduled.

Meeting adjourned at 12:35 p.m. in memory of Gilbert Ivey's sister Cynthia Ivey, who passed away suddenly this week.

Randy A. Record
Chairman of the Board