

Abstentions: None

Absent: None

The motion passed by a vote of 13 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 reported that Metropolitan, along with several other large agencies including the Port of Long Beach and Los Angeles World Airports, would be hosting the 2016 California Construction Expo at the Long Beach Convention Center on July 28, 2016. Directors who are interested in attending this event are asked to contact John Arena of Metropolitan's Business Outreach staff.

General Manager Kightlinger reported that today is the kick-off of the State Water Resource Control Board proceedings for additions of points of diversion on the California/WaterFix tunnels. Devan Upadyahy represented Metropolitan at that meeting and gave the opening statement.

Chief Financial Officer Gary Breaux will be recusing himself from the selection of bankers due to a potential conflict of interest. The process will be overseen by the General Manager instead.

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

Presented by: General Counsel Marcia Scully

General Counsel Scully reported on the *Property Reserve* case regarding eminent domain actions by the Department of Water Resources in connection with the California WaterFix. The Department wanted entry onto one hundred fifty private properties to perform environmental analysis and to take geological samples. The property owners challenged the Department of Water Resources, seeking to deny them right of entry to their properties. The trial court ruled that the Department could engage in environmental analysis but not in the geological studies. The appellate court agreed with the trial court on refusing the geological activities, but also reversed the approval for the environmental activities. The appellate court was overruled by the California Supreme Court which concluded that property owners are protected by provisions in the condemnation law to compensate the owner for any damage resulting from the entry, so there was no need for further restrictions on the public agencies seeking access to private property.

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

Presented by: General Auditor Gerry Riss

General Auditor Riss had no report.

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

Presented by: Ethics Officer Deena Ghaly

Ethics Officer Ghaly had no report.

8. REPORTS FROM COMMITTEES

a. Subject: Finance and Insurance Committee

Presented by: Committee Chair Barbre

Committee Chair Barbre reported that in addition to the monthly reports on finance and investment activities, the Finance and Insurance Committee will receive and file the new certified assessed property valuations from county assessors for fiscal year 2016/17.

b. Subject: Water Planning and Stewardship Committee

Presented by: Committee Chair De Jesus

Committee Chair De Jesus reported that the action item on Water Savings Incentive Program Agreements which will be discussed at the August committee meeting, will add the term "Adopt the CEQA determination" to the beginning of the subject line.

c. Subject: Engineering and Operations Committee

Presented by: Committee Chair Peterson

Committee Chair Peterson reported that in August, the committee will discuss seven action items. Items will include a construction contract for a solar power plant at the Joseph Jensen Treatment Plant, preparation of environmental documentation for dewatering of the Foothill Feeder and final design to replace valves at two service connections on the Rialto Pipeline.

In addition the committee will hear oral reports on the Potential Regional Recycled Water Supply Program and a quarterly report on the Capital Investment Plan for the period ending June 30, 2016.

Committee Chair Peterson stated that he, along with committee members Dake and Blois, will convene a subcommittee meeting to hear a protest over one of Metropolitan's contracts.

- d. Subject: Communications and Legislation Committee
Presented by: Committee Chair Kurtz

Committee Chair Kurtz reported that there are no action items on the August agenda. The committee will hear a presentation on the results of focus groups on water conservation messaging.

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

Committee Chair Murray reported that in August the committee will adopt a resolution to update the employer's contribution under the Public Employees' Medical and Hospital Care Act. Labor contracts with the various unions will be expiring at the end of 2016 and the committee will confer with labor negotiators in closed session to begin contract negotiations.

At the Board meeting in August, directors will be reviewing the Department Head salary survey, discussing performance evaluations and reviewing compensation.

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

Committee Chair Quiñonez reported that in August, the committee will consider adopting a resolution and amending the Administrative Code to establish a distribution policy for event tickets received by Metropolitan.

The General Counsel will be presenting her business plan for fiscal year 2016/17.

In closed session the committee will hear reports on the Delta Wetlands properties litigation, and the *San Diego County Water Authority v. Metropolitan* rate cases.

- g. Subject: Real Property and Asset Management Committee
Presented by: Committee Chair Camacho

Committee Chair Camacho had no report.

9. FOLLOW-UP ITEMS

None

10. FUTURE AGENDA ITEMS

Director Hogan requested that Member Agency cost allocation as it relates to the topic of the Bay Delta Conservation Plan/California WaterFix, be added as a future agenda item of the Finance and Insurance Committee.

Meeting adjourned at 12:16 p.m.

Randy A. Record
Chairman of the Board