



### 3. CHAIRMAN'S REPORT

- a. Subject: Subcommittee of Audit and Ethics Committee

Presented by: Chair Record

Chair Record announced the creation of a subcommittee of the Audit and Ethics Committee. The subcommittee will be led by three Board members and outside legal counsel. The Directors appointed to the subcommittee are: Chair Dear, Vice-Chair Ramos, and committee member Kurtz.

Director Dake mentioned that although there was an oral ethics presentation on April 25, 2017 he is interested in hearing the formal process of how employee ethics investigations are handled.

Ethics Officer Deena Ghaly responded that Ethics investigation guidelines are posted on Metropolitan's internal and external websites. She said the topic will also be covered at the committee's July meeting. Ms. Ghaly also mentioned that she would like to be a part of the subcommittee discussions.

Board member Abdo entered at 12:05 pm

- b. Subject: Bay-Delta Committee Meetings

Presented by: Chair Record

Chair Record mentioned that there will be a series of important Bay-Delta committee meetings in the coming months. He asked that Board members communicate with Metropolitan if they require any special accommodations, such as teleconferencing, to ensure their participation.

### 4. OTHER MATTERS

None

### 5. CONSENT CALENDAR ITEMS – ACTION

None

### 6. OTHER BOARD ITEMS – ACTION

None

**7. BOARD INFORMATION ITEMS**

None

**8. DEPARTMENT HEAD REPORTS**

- a. Subject: General Manager’s report of Metropolitan’s activities

Presented by: General Manager Jeff Kightlinger

General Manager Kightlinger introduced Charlie Eckstrom, the new Group Manager of Information Technology.

General Manager Kightlinger mentioned that the Biological Opinions for California WaterFix were released, June 26, 2017. He also mentioned the confirmation proceedings for Brenda Burman, former Metropolitan employee, as U.S. Bureau of Reclamation Commissioner.

Lastly, he commented that Metropolitan is aiming for a balanced approach and collaborative process for the California Water Fix.

- b. Subject: General Counsel’s report of Legal Department activities

Presented by: General Counsel Marcia Scully

General Counsel Marcia Scully had no report.

- c. Subject: General Auditor’s report of Audit Department activities

Presented by: General Auditor Gerry Riss

General Auditor Riss reported that on July 11, 2017 he will be providing a presentation on the Audit’s Business Plan. Additionally, external auditor MGO will be giving a presentation on the audit evaluation process.

- d. Subject: Ethics Officer’s report of Ethics Department activities

Presented by: Ethics Officer Deena Ghaly

Ethics Officer Ghaly had no report.

**9. COMMITTEES REPORTS AND ITEMS**

a. Subject: Finance and Insurance Committee

Presented by: Committee Chair Barbre

Committee Chair Barbre reported that in July the committee will consider the corrected resolution fixing and adopting a Readiness-to-Serve Charge for CY 2018. Additionally, there will be a report on Metropolitan's financial ratings.

b. Subject: Water Planning and Stewardship Committee

Presented by: Committee Chair Gray

Committee Chair Gray reported that in July a joint committee with the Special Committee on Bay Delta will be held. At this joint meeting, committee members will receive the first in a series of three written reports on California WaterFix. The first report will describe the facilities involved in California WaterFix. Additional reports will also be given in future joint committee meetings.

The July Water Planning and Stewardship committee agenda will include two action items: 1) consent calendar item to authorize a contract for services to help with research on the Longfin Smelt and 2) action item to consider providing a storage credit for in-lieu deliveries of treated water to agencies that have been impacted by the detection of unconfirmed Quagga Mussels in State Water Project Supplies.

Additionally, Chair Gray reported that the committee will also hear a series of information reports.

c. Subject: Engineering and Operations Committee

Presented by: Committee Vice Chair Blois

Committee Vice Chair Blois reported that in In July, staff will bring before the committee seven action items including:

1. A contract to construct an advanced water treatment demonstration plant
2. Agreements for Colorado River Aqueduct energy and transmission services
3. Authorization to remove Modules 4, 5, and 6 from service at the Skinner plant
4. An increase in change order authority for the construction contract to rehabilitate Palos Verdes Reservoir, and
5. An increase in change order authority for the construction contract to build houses at Iron Mountain Pumping Plant

An oral report on Metropolitan's Apprenticeship Program will also be presented.

d. Subject: Communications and Legislation Committee

Presented by: Committee Chair Kurtz

Committee Chair Kurtz reported that the Communications and Legislation Committee has no action items scheduled for consideration in July. Staff will provide an update on Metropolitan's 2017 Water Conservation Advertising and Outreach Campaign highlighting the new content for summer. In addition, the committee will hear reports from Sacramento and Washington as well as an update on other External Affairs activities.

e. Subject: Organization, Personnel and Technology Committee

Presented by: Committee Chair Wunderlich

Committee Chair Wunderlich reported that in July the committee will confer with labor negotiators in closed session.

The committee will also consider amendments to agency temporary skilled craft labor agreements with three contractors. Additionally, the committee will consider appropriating \$1.9 million for the design of an Enterprise Content Management (ECM) application; a contract for \$1.450 million to HBR Consulting, LLC for software and professional services for design of an ECM system.

Lastly, the committee will hear a presentation on department heads' evaluations. All Board members were sent an email from Human Resources to collect their input on department heads.

f. Subject: Legal and Claims Committee

Presented by: Committee Chair Quiñonez

Committee Chair Quiñonez reported that in July the committee will hear a report on existing litigation: Shimmick Construction Company v. Metropolitan. Additionally, the committee will hear about General Counsels Business Plan for 2017/18.

In closed session, the committee will hear a report on the *San Diego County Water Authority v. Metropolitan* litigation.

g. Subject: Real Property and Asset Management Committee

Presented by: Committee Vice-Chair Dake

Committee Vice-Chair Dake reported that the Real Property and Asset Management will not be holding a committee meeting in the month of July. It will resume in August.

- h.           Subject:           Approve draft committee and board meeting agendas and schedule for July 2017
- Presented by:    Chair Record
- Motion:           Approve draft committee and board meeting agendas and schedule for July 2017.
- Motion:           Carried
- Moved:           Director De Jesus       Seconded:    Director Kurtz
- Ayes:            Directors Record, Ackerman, Barbre, Blois, De Jesus , Gray, Hogan, Kurtz, Quiñonez, and Wunderlich
- Noes:             None
- Abstentions:    None
- Absent:          Directors Murray, Camacho, Dick, and Peterson

The motion passed by a vote of 10 ayes, 0 no, 0 abstain, and 4 absent.

- i.           Subject:           Discuss Establishing Committee for Naming of District Facilities
- Presented by:    Chair Record
- Chair Record asked for Board members to serve on a committee. Director Barbre volunteered to serve on the committee.
- j.           Report on San Diego County Water Authority v. Metropolitan Water District of Southern California, et al., San Francisco County Superior Court Case Nos. CPF-10-510830, CPF-12-512466, CPF-14-514004 and CPF-16-515282; and the appeal of the 2010 and 2012 actions, Court of Appeal for the First Appellate District Case Nos. A146901 and A148266.
- [Conference with legal counsel – existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)]**

This item was discussed in closed session. No action was taken.

## 10. FOLLOW-UP ITEMS

None

**11. FUTURE AGENDA ITEMS**

None

The meeting was adjourned at 12:43 p.m.

Randy Record  
Chair of the Board