

**THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

**MINUTES**

**EXECUTIVE COMMITTEE**

**July 25, 2017**

Chair Record called the meeting to order at 12:19 p.m. in the Board Room at Metropolitan's Headquarters.

Members present: Chairman Record, Vice Chairs Ackerman, De Jesus, Gray, and Murray, Secretary Blois, Directors Barbre, Camacho, Dick, Kurtz, Peterson, Quiñonez, and Wunderlich.

Members absent: Hogan

Other Board members present: Atwater, Beard, Cordero, Dake, Galleano, Lefevre, McKenney, Morris, Ramos, Saxod, Steiner, and Treviño.

Staff present: I. Aldrete, Breaux, L. Carrillo, Tonsick, Ghaly, Jankovic, Kear, Kightlinger, E. Jackson, Gil de Montes, Upadhyay, Mares, Patterson, D. Pitman, Riss, Scully, Tubbs, B. Yamasaki, and Zinke.

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

Mr. Conner Everts, Southern California Watershed Alliance, spoke on transparency and openness in complying with the ethics requirements in SB60.

Ms. Daryl Gale, Food & Water Watch, spoke on disposable utensil and container products available in the courtyard café.

**2. APPROVAL OF THE MINUTES OF THE MEETING OF THE EXECUTIVE COMMITTEE HELD JUNE 27, 2017; AND THE REVISED MINUTES OF THE EXECUTIVE COMMITTEE HELD MAY 23, 2017.**

Motion: Carried

Moved: Director De Jesus                      Seconded: Director Camacho

Ayes: Chairman Record, Directors Ackerman, Barbre, Blois, Camacho, De Jesus, Dick, Gray, Kurtz, Murray, Peterson, Quiñonez, and Wunderlich

Noes: None  
Abstentions: None  
Absent: Director Hogan

Director Ramos requested correction be made on the June 27, 2017 minutes reflecting she was present.

The motion passed by a vote of 13 ayes, 0 no, 0 abstain, and 1 absent.

**3. CHAIRMAN’S REPORT**

Chairman Record discussed the process for the review of the ethics office and the formation of the Subcommittee of Audit and Ethics. Chairman Record introduced outside counsel, Alejandro Mayorkas, who was retained to assist on the review and is a partner with the law firm with Wilmer Cutler Pickering Hale and Dorr LLP. Mr. Mayorkas described his curriculum and his role in providing a governance review of the ethics office.

Chairman announced fourth Tuesday meetings in August will be cancelled.

Director Steiner asked for clarification on the Cal WaterFix workshop schedule and the timeline for the meetings. An overview of the schedule was provided.

**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 had no report.

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

Presented by: General Counsel Marcia Scully

General Counsel Marcia Scully reported that Metropolitan filed a motion to intervene in the litigation concerning the California WaterFix Biological Opinions and that the matter has been reassigned to another judge. It is unknown when the motion will be heard.

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

Presented by: General Auditor Gerry Riss

General Auditor Riss had no report.

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

Presented by: Ethics Officer Deena Ghaly

Ethics Officer Ghaly reported she will be on leave for 2 to 3 weeks. She will be reachable by e-mail/voicemail. Peter Von Haam will be filling in for her during her absence.

**9. COMMITTEES REPORTS AND ITEMS**

- a. Subject: Finance and Insurance Committee

Presented by: Committee Chair Barbre

Committee Chair Barbre reported that in August the committee will be approving the assessed valuations for fiscal year 2017/18 and establishing the tax rate for fiscal year 2017/18. There will also be a report on the Mid-cycle Biennial Budget Review, and the Chief Financial Officer's reports.

- b. Subject: Water Planning and Stewardship Committee

Presented by: Committee Chair Gray

Committee Chair Gray reported that in August there will be a joint meeting with the Special Committee on Bay Delta. At the joint meeting they will receive the third written report on CA WaterFix describing the financing and cost allocation for CA WaterFix. Following the joint committee portion of the agenda, there will be an information item for the Water Planning & Stewardship Committee addressing risks Metropolitan faces due to climate change and how Metropolitan is working to adapt to these potential changes.

- c. Subject: Engineering and Operations Committee

Presented by: Committee Chair Peterson

Committee Chair Peterson reported that in August there will be eight action items including: 1) authorization to design building-related improvements for Metropolitan's Headquarters Building; 2) a contract to install steel liner pipe in the Second Lower Feeder as part of the PCCP rehab program; 3) agreements for Colorado River Aqueduct energy transmission and interconnection with Southern California Edison and 4) a reimbursable agreement to provide services to Department of Water Resources.

- d. Subject: Communications and Legislation Committee

Presented by: Committee Chair Kurtz

Committee Chair Kurtz reported that in August the committee has four action items:

- adopt Legislative Policy Principles on Stormwater
- express opposition unless amended to HR 23 (Valadao): Gaining Responsibility on Water Act of 2017
- express opposition, unless amended, to SB 623 (Monning): Water Quality: Safe and Affordable Drinking Water Fund
- express opposition, unless amended, to SB 49 (De León): California Environmental, Public Health, and Workers Defense Act of 2017

There will be a possible action on SB 623 by Senator Monning contingent upon whether amendments include a fee on retail water users as a funding mechanism for the proposed water fund. If the amendments are not made, the board letter may be pulled.

The committee will also hear regular reports from Sacramento and Washington.

Chair Kurtz announced she will be absent for the August committee meeting. Vice Chair Gray will be chairing the meeting.

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

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

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

Committee Chair Quiñonez reported that in August the committee will hear a report on the Nevada Environmental Response Trust Site (formerly known as the Tronox Site) in Henderson, Nevada and will consider authorizing an increase in the consulting services contract with GeoPentech, Inc. In closed session, the committee will hear a report on two appellate court opinions, *Orange County Water District v. Alcoa Global Fasteners, Inc.* and *Orange County Water District v. MAG Aerospace Industries, Inc.* The committee will also hear in closed session a report on the *San Diego County Water Authority v. Metropolitan* cases.

g. Subject: Real Property and Asset Management Committee

Presented by: Committee Chair Camacho

Committee Chair Camacho reported that in August the committee will consider two consent calendar items: 1) to authorize amending a permanent easement to Southern California Gas Company to relocate existing gas pipelines near the Jensen Plant; and 2) to authorize to continue license agreements with Southern California Edison and Blythe Energy, Inc. to access their facilities on Metropolitan fee owned land. Staff will also be presenting brief reports on the Bay Delta Lands and Diamond Valley Lake. Diamond Valley Lake update is a new addition to the agenda.

h. Subject: Approve draft committee and board meeting agendas and schedule for August 2017

Presented by: Chairman Record

Motion: Approve draft committee and board meeting agendas and schedule for August 2017.

Motion: Carried

Moved: Director De Jesus Seconded: Director Camacho

Ayes: Chairman Record, Directors Ackerman, Blois, Camacho, De Jesus, Dick, Gray, Kurtz, Murray, Peterson, Quiñonez, and Wunderlich

Noes: Director Barbre

Abstentions: None

Absent: Director Hogan

The motion passed by a vote of 12 ayes, 1 no, 0 abstain, and 1 absent.

- i.           Subject:           Adopt motion to adjourn the August Board Meeting to August 15, 2017, to establish tax rate. (Committees to meet on August 14 and 15, 2017)
  
- Presented by:   Chairman Record
  
- Motion:           Adopt motion to adjourn the August Board Meeting to August 15, 2017, to establish tax rate. (Committees to meet on August 14 and 15, 2017)
  
- Motion:           Carried
- Moved:           Director Peterson      Seconded:   Director Camacho
- Ayes:             Chairman Record, Directors Ackerman, Barbre, Blois, Camacho, Jesus, Dick, Gray, Kurtz, Murray, Peterson, Quiñonez, and Wunderlich
  
- Noes:             None
- Abstentions:   None
- Absent:            Director Hogan

The motion passed by a vote of 13 ayes, 0 no, 0 abstain, and 1 absent.

**10. FOLLOW-UP ITEMS**

None

**11. FUTURE AGENDA ITEMS**

None

The meeting was adjourned at 12:39 p.m.

Randy Record  
Chairman of the Board