

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Minutes

Executive Committee

October 23, 2018

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

Members present: Directors Ackerman, Blois, Dake, De Jesus, Dick, Gray, Hogan, Kurtz, Murray, Peterson, Pressman, Ramos, and Chairman Record

Members absent: Directors Camacho, and Quiñonez

Other Board members present: Directors Beard, Cordero, Faessel, Galleano, Hawkins, McKenney, Morris, Smith, Steiner, Treviño, and Vasquez-Wilson

1. Opportunity for members of the public to address the committee and Board on matters within their jurisdiction

No members responded.

2. Approval of the Minutes of the meeting of the Executive Committee held September 25, 2018

Motion: Carried
Moved: Director De Jesus Seconded: Director Pressman
Ayes: Directors Ackerman, Blois, Dake, De Jesus, Dick, Gray, Hogan, Kurtz, Murray, Peterson, Pressman, Ramos, and Chairman Record

Noes: None
Abstentions: None
Absent: Directors Camacho, and Quiñonez

The motion passed by a vote of 13 ayes, 0 no, 0 abstain, and 2 absent.

3. CHAIRMAN'S REPORT

Chair Record stated he is appointing a committee to review and recommend applicants for the Ethics Officer position to be interviewed by the Board.

The committee members are: Director Ramos, Kurtz, Paskett, Hogan and Beard.

4. OTHER MATTERS

- A. Approve candidates for Board Secretary for two-year term effective January 1, 2019. Nominations received for Director Blois and Director Vasquez-Wilson.

Motion: Carried
Moved: Director Murray Seconded: Director Ramos
Ayes: Directors Ackerman, Blois, Dake, De Jesus, Dick, Gray, Hogan, Kurtz, Murray, Peterson, Pressman, Ramos, and Chairman Record

Noes: None
Abstentions: None
Absent: Directors Camacho, and Quiñonez

The motion passed by a vote of 13 ayes, 0 no, 0 abstain, and 2 absent.

5. CONSENT CALENDAR ITEMS – ACTION

None

6. OTHER BOARD ITEMS – ACTION

None

7. BOARD INFORMATION ITEMS

None

8. DEPARTMENT HEAD'S REPORTS

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

Presented by: General Manager Jeffrey Kightlinger

General Manager Kightlinger reminded board members that Executive Committee meetings will not be held the months of November and December. Additionally, the Regular Board Meeting for the month of November has been adjourned to November 6 due to the Veterans Day holiday.

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

Presented by: General Counsel Marcia Scully

General Counsel Scully announced that Ethics and Legal will be coming to the board with a proposal to keep board members informed of potential conflicts of interest. With the recent CIP Admin Code changes some items are no longer taken to the board for approval.

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

Presented by: General Auditor Gerry Riss

None

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

Presented by: Interim Ethics Officer Gerry Riss

Interim Ethics Officer Riss reminded board members of the afternoon Audit and Ethics committee meeting.

9. REPORTS FROM COMMITTEES

- a. Subject: Finance and Insurance Committee

Presented by: Committee Chair Dake

Committee Chair Dake announced that at the November meeting, staff will present an action item to approve and authorize the distribution of Appendix A for use in the issuance and remarketing of Metropolitan's Bonds; the General

Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. Also in November, the Finance & Insurance Committee will consider two proposed annexations, and hear presentations on an upcoming financing and the status of Metropolitan's retiree medical trust.

b. Subject: Water Planning and Stewardship Committee

Presented by: Committee Chair Gray

Committee Chair Gray announced that the Committee that the draft agenda for the November meeting has total of four items, including one action item, two information items, and one committee item.

The action item includes approving amendments to the water use efficiency guidelines for proposed annexations. The information items include 1) an overview of the lower Colorado River drought contingency plan and, 2) information on increasing conservation in Disadvantaged Communities. The oral report is on the State Water Project Audit and 2018 Statement of Charges.

c. Subject: Engineering and Operations Committee

Presented by: Committee Chair Peterson

Committee Chair Peterson announced that in November, the Engineering and Operations Committee will consider four action items:

1. Award of a construction contract for seismic upgrades and building improvements for Metropolitan's Headquarters Building
2. Award of a construction contract to rehabilitate a portion of the Second Lower Feeder
3. Award of a construction contract to replace the lining in a portion of the Orange County Feeder, and
4. Award of a construction contract for electrical upgrades at 15 distribution system structures

Three oral reports will also be presented including:

1. The Capital Investment Plan quarterly report for the period ending September 2018
2. An update on procurement of large valves for the Second Lower Feeder, and
3. The security quarterly update

d. Subject: Communications and Legislation Committee

Presented by: Committee Chair Kurtz

Committee Chair Kurtz announced that there is no Communications and Legislation Committee meeting in November. This will allow the Ethics Office

to convene the AB1234 biennial ethics training for directors at 1:30 p.m. on Monday afternoon following the other committee meetings.

The committee will resume meeting in December where state and federal legislative priorities and principles for the 2019-20 legislative session will be discussed. Contact Dee Zinke or Nathan Purkis with any legislative suggestions. The 2019 Legislative proposal form can be found on the Directors website.

e. Subject: Organization, Personnel and Technology Committee

Presented by: Committee Chair Ramos

Committee Chair Hogan announced that the committee will not meet in November and would resume in November. However, at the Board meeting in November the Board will be asked to approve Metropolitan's Salary Schedule in accordance with CALPERS regulations.

f. Subject: Legal and Claims Committee

Presented by: Committee Vice Chair McKenney

Committee Vice Chair McKenney announced that in closed session, the committee will discuss Department Head Performance and Goal Setting and hear a report on the *San Diego County Water Authority v. Metropolitan cases*.

g. Subject: Real Property and Asset Management Committee

Presented by: Vice Chair Treviño

Director Treviño announced that the committee meeting would meet December 11, 2018.

h. Subject: Audit and Ethics Committee

Presented by: Committee Chair Ramos

Committee Chair Ramos announced that at the afternoon Audit and Ethics Committee there will be one action item that will go before the Board in November:

Approve amendments to the Administrative Code to clarify the Ethics Officer Reporting Structure and Duties and to establish the Audit and Ethics Committee as a Standing Committee of the Board. The General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA.

Two oral reports will also be presented including:

- A discussion of Independent Auditor's Report from KPMG, LLP
- A discussion of Department Head Performance and Goal Setting

On November 5th State-mandated Ethics training AB1234 will take place in the Boardroom.

i. Subject: Approve draft committee and board meeting agendas and schedule for November 2018

Presented by: Chair Record

Motion: Approve draft committee and board meeting agendas and schedule for November 2018.

Motion: Carried

