THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA MINUTES

EXECUTIVE COMMITTEE

January 25, 2022

Chairwoman Gray called the teleconference meeting to order at 12:07 p.m.

Members present: Directors Abdo, Ackerman, Atwater, Camacho, De Jesus, Dick, Gray, Kurtz, Luna, Ramos, Record, Repenning, and Smith

Members absent: Director Cordero

Other Board members present: Directors Blois, Dennstedt, Erdman, Faessel, Fellow, Fong-Sakai, Goldberg, Jung, Kassakhian, Lefevre, McCoy, Miller, Morris, Ortega, Peterson, Pressman, Quinn, Sutley, Tamaribuchi, and Williams

Committee staff present: Beatty, Castro, Chapman, Hagekhalil, Kasaine, Riss, Salinas, Scully, Upadhyay, Walters, and Zinke

1. Opportunity for members of the public to address the committee on matters within the committee's jurisdiction

	Name	Affiliation	Item
1.	Caty Wagner	Sierra Club of California	Agenda Item 7-1
2.	Ellen MacKey	Chair of AFSCME Women's Caucus	Personnel Matters
3.	Conner Everts	Environmental Water Caucus	Agenda Item 7-1
4.	Darrell Goode	NAACP	Diversity Matters

2. OTHER MATTERS AND REPORTS

a. Subject: Chairwoman's Report

Presented by: Chairwoman Gloria D. Gray

Chairwoman Gray stated she had nothing to add to her report.

b. Subject: General Manager's report of Metropolitan's activities

Presented by: General Manager Adel Hagekhalil

General Manager Hagekhalil reported on the following:

- The monthly General Manager Report is being updated; among other design changes, a six month look ahead will be provided beginning with February 2022's report.
- Attended Santa Monica's Recycling Water Project ground breaking event.
- Joined Board members and the Chair along with Metropolitan staff at the Southern California Water Coalition addressing the impacts of the drought.
- Attended Eastern Municipal Water District's board meeting and toured a local desalter facility.
- Provided a COVID-19 update.

c. Subject: General Counsel's report of Metropolitan's activities

Presented by: General Counsel Marcia Scully

General Counsel Scully stated she had nothing to add to her report.

d. Subject: General Auditor's report of Metropolitan's activities

Presented by: General Auditor Gerald Riss

General Auditor Riss stated he had nothing to add to his report.

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

Presented by: Ethics Officer Abel Salinas

Ethics Officer Salinas stated he had nothing to add to his report.

f. Subject: Report from Audit and Ethics Committee

Presented by: Committee Chair Ramos

Committee Chair Ramos reported that the Committee will hear the following:

- The Ethics Officer will provide an update on the Ethics Office monthly activity report.
- The General Auditor will discuss the Audit planning and field work process; and provide an up update on the department activities.

g. Subject: Report from Bay-Delta Committee

Presented by: Chairwoman Gray

Chairwoman Gray announced that the Bay-Delta Committee will not be meeting in February.

h. Subject: Report from Communications and Legislation Committee

Presented by: Committee Vice Chair Kurtz

Committee Vice Chair Kurtz announced that the Committee will hear the following action item:

 Approve Metropolitan's annual memberships in the National Water Research Institute and authorize dues of \$50,000, and the Council for Environmental and Economic Balance's Air Project and the Climate Change Project and authorize dues payments of \$30,500 and \$34,000; respectively.

In addition, the Committee will hear two committee items:

- Reports on activities from Washington D.C.
- Report on activities from Sacramento.

Lastly, the Committee will also hear the External Affairs Management Report.

The following item was heard out of order. Engineering and Operations report (Agenda Item 2i) was heard at the end of committee reports.

j. Subject: Report from Finance and Insurance Committee

Presented by: Committee Vice Chair Record

Committee Vice Chair Record announced that the Committee will hear the following action item:

 Set combined public hearing regarding: (1) the proposed water rates and charges for calendar years 2023 and 2024 necessary to meet the revenue requirements for fiscal years 2022/23 and 2023/24, and (2) review of the applicability of the MWD Act Section 124.5 ad valorem property tax limitation for fiscal years 2022/23 through 2025/26.

In addition, the Committee will hear one information item:

Proposed biennial budget, which includes the Capital Investment Plan

and revenue requirements for fiscal years 2022/23 and 2023/24; proposed water rates and charges for calendar years 2023 and 2024 to meet revenue requirements for fiscal years 2022/23 and 2023/24; tenyear forecast; and Cost of Service Report (Workshop #1).

as well as the following two committee items:

- Quarterly Financial Report.
- Quarterly Investment Activities Report.

Lastly, the Chief Financial Officer (CFO) will present the monthly activity report.

k. Subject: Report from Legal and Claims Committee

Presented by: Committee Chair Dick

Committee Chair Dick announced that the Committee will hear the following:

- Report on the General Counsel's monthly activities.
- In closed session, conduct a discussion of Department Head Performance and Goal Setting.
- Lastly, the Committee will hear a report on the San Diego County Water Authority v. Metropolitan litigation including discussions regarding potential settlement.
- I. Subject: Report from Organization, Personnel and Technology Committee

Presented by: Committee Vice Chair McCoy

Committee Vice Chair McCoy announced that the Committee will hear one action item:

 Authorize the General Manager to Sign the Equity in Infrastructure Program Pledge and Participate in the Program to Support Opportunities for Historically Underserved and Underutilized Businesses.

as well as two committee items:

- Labor Negotiations Update.
- Quarterly Cybersecurity Oral Update.

Lastly, the Committee will hear two management reports:

- Human Resources Group Manager.
- Information Technology Group Manager.

m. Subject: Report from Real Property and Asset Management

Committee

Presented by: Chairwoman Gray

Chairwoman Gray announced that the Real Property and Asset Committee will not be meeting in February.

n. Subject: Report from Water Planning and Stewardship Committee

Presented by: Committee Chair Atwater

Committee Chair Atwater announced that the Committee will hear the following two consent items:

- Authorize: (1) agreement with the State Water Contractors, Inc. to pursue 2022 Sacramento Valley water transfer supplies; and (2) \$5 per acre-foot initial administrative deposit not-to-exceed \$500,000.
- Authorize the General Manager to enter into a reverse-cyclic agreement with participating agencies to preserve the availability of State Water Project Supplies to Metropolitan.

In addition, the Committee will also hear the following committee item:

Oral update on Water Surplus and Drought Management.

as well as the following two management reports:

- Colorado River Matters.
- Water Resource Management Manager's Report.

i. Subject: Report from Engineering and Operations Committee

Presented by: Committee Chair Smith

Committee Chair Smith announced that the Committee will hear the following four consent items:

- Award three professional services agreements to support rehabilitation projects at the CRA pumping plants: 1) an agreement with Parsons Transportation Group Inc. in an amount not to exceed \$2,650,000; 2) an agreement with Jacobs Engineering Group Inc. in an amount not to exceed \$650,000; and 3) an agreement with Tetra Tech, Inc. in an amount not to exceed \$650,000.
- Authorize an agreement with La Cañada Design Group, Inc. in an amount not to exceed \$4,400,000 for preliminary design to upgrade Metropolitan's Water Quality Laboratory, and an agreement with Rincon Consultants, Inc. in an amount not to exceed \$550,000 for

environmental support services.

- Amend the Capital Investment Plan for fiscal years 2020/2021 and 2021/2022 to include planning and implementation of infrastructure projects to improve water supply reliability for the Western Region service area and authorize an agreement with Carollo Engineers, Inc. in an amount not to exceed \$300,000 for professional services.
- Review and consider Addendum No. 4 to the certified 2017
 Programmatic Environmental Impact Report; and award \$4,759,000
 contract to Facility Builders & Erectors, Inc. for construction of a valve
 and equipment storage building at the Lake Mathews Reservoir site to
 support the PCCP Rehabilitation Program.

In addition, the Committee will hear two oral reports:

- Metropolitan's Health and Safety Program Update.
- Source Water Protection Update.

Lastly, the Committee will hear the following two management reports:

- Water System Operations Manager's report.
- Engineering Services Manager's report.

The meeting returned to its original schedule.

CONSENT CALENDAR ITEMS – ACTION

3. CONSENT CALENDAR OTHER ITEMS - ACTION

- A. Approval of the Minutes of the meeting of the Executive Committee held November 23, 2021 and the Adjourned Executive Committee held December 14, 2021.
- B. Approve draft committee and board meeting agendas, and schedule for February 2022.

Chairwoman Gray asked Directors if there were any comments, additions, or corrections to the February 2022 Draft Packet.

The following Directors provided comments or asked questions:

	Directors	Comments/Questions
1.	Ortega	Director asked if the Shaw Report would be released
		soon

Staff responded to the Director's questions and comments.

4. CONSENT CALENDAR ITEMS - ACTION

Chairwoman Gray addressed the Board concerning Agenda Item 7-1.

7-1 Subject: Appointment of Board Vice Chairs and appointment of Chairs and Vice Chairs of standing committees for the term commencing January 25, 2022 through January 1, 2023; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Motion: Approve appointments of the Board Vice Chairs and appointment of Chairs and Vice Chairs of standing committees for the term commencing January 25, 2022 through January 1, 2023

Chairwoman Gray asked General Counsel Scully to address the Board regarding Board leadership.

General Counsel Scully responded.

Chairwoman Gray asked General Manager Hagekhalil if he had additional comments on this matter regarding Board leadership.

General Manager Hagekhalil responded.

Council Member Sylvia Ballin from the City of San Fernando submitted a letter dated January 25, 2022 regarding Agenda Item 7-1, addressed to Chairwoman Gray and will be made part of the record. The letter was received on Tuesday, January 25, 2022 at 10:39 am.

Chairwoman Gray called for the vote on Consent Calendar Items.

The following Directors provided comments or asked questions:

	Directors	Comments/Questions
1.	Blois	Asked a question

Chairwoman Gray responded to the Director's question.

Director Record made a motion, seconded by Director Dick to approve the consent calendar consisting of Items 3A, 3B, and 7-1.

Chairwoman Gray called for the vote:

The vote was:

Ayes: Directors Abdo, Ackerman, Atwater, Camacho, De Jesus, Dick, Gray,

Kurtz, Luna, Ramos, Record, Repenning, and Smith

Noes: Directors Camacho, and Repenning (Item 7-1)

Abstentions: Directors Abdo, and Smith (Item 7-1)

Absent: Director Cordero

The motion for Item 3A and 3B passed by a vote of 13 ayes, 0 noes, 0 abstention, and 1 absent.

The motion for item 7-1 passed by a vote of 9 ayes; 2 noes; 2 abstentions; and 1 absent.

END OF CONSENT CALENDAR ITEMS

5. OTHER BOARD ITEMS - ACTION

None

6. BOARD INFORMATION ITEMS

None

7. FOLLOW-UP ITEMS

a. Update on General Manager's Strategic Priorities

General Manager Hagekhalil addressed the Board; and introduced Water Resources Group Manager Brad Coffey to give presentation.

The following Directors provided comments or asked questions:

	Directors	Comments/Questions
1.	Smith	Asked a question and made comments

Staff responded to the Director's question.

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

None

The meeting was adjourned at 1:05 p.m.

Gloria D. Gray Chairwoman of the Board



CITY COUNCIL

Mayor Mary Mendoza

January 25, 2022

VICE MAYOR HECTOR A. PACHECO

VIA ELECTRONIC MAIL

COUNCILMEMBER
SYLVIA BALLIN

COUNCILMEMBER
CINDY MONTAÑEZ

COUNCILMEMBER CELESTE T. RODRIGUEZ The Honorable Gloria Gray
Chairwoman of the Board
Metropolitan Water District of Southern California
700 N. Alameda Avenue
Los Angeles, CA 90013

Subject: Agenda Item 7-1 (Appointment of Committee Chairs and Vice Chairs)

Dear Chairwoman Gray,

It has been a year since you attempted to appoint your second term leadership team for the Board of Directors of the Metropolitan Water District of Southern California. I have followed this closely and am writing to urge you to withdraw Item 7-1 from the agenda on January 25, 2022. You have made much progress in uniting the board since the summer of 2021, and I'm afraid that the slate you have presented will rekindle divisions. As a member of the board in 2021 when this topic came up, I objected to the original slate for its lack of diversity, which you campaigned for in your re-election effort. The 2022 slate does not add diversity even with the creation of a committee on Underserved Communities, and another on Diversity, Equity and Inclusion (DEI), rendering them, in effect, window dressing.

By my count, you are proposing to appoint 19 white persons and 8 persons of color (if one counts the double appointments individually) to the positions of Committee Chair and Vice Chair. You also are seeking to appoint 16 men and 8 women by similar count for those positions. These disparities are inconsistent with any measure one might apply. It does not reflect the diversity of MWD's service area, the State of California, or even the United States.

OFFICE OF THE CITY COUNCIL

117 Macneil Street San Fernando California 91340

What I find most discouraging is that the slate cannot be justified on a policy basis either.

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Honorable Gloria Gray, Chairwoman of the Board Metropolitan Water District of Southern California

Agenda Item 7-1 (Appointment of Committee Chairs and Vice Chairs)
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Of the 28 positions you are appointing, 21 of the nominees did not support the hiring of the current General Manager just a few months ago. This represents a 3 to 1 margin over those you are seeking to appoint who voted with the majority to hire the General Manager.

This is significant for reasons that have immediate implications. For example, you are proposing to appoint as Chair of the Audit and Ethics Committee, a board member who recently hired a person who engaged in retaliation when he worked at MWD.

According to the Ethics Officer who addressed this matter on January 11, that was fully substantiated in a supplemental investigation by the Shaw Group, and has yet to be released to the MWD Board of Directors. The conflict of interest in this case, some would argue is glaring.

We appreciate that you nominated the City of San Fernando's delegate to Chair the Committee on Underserved Communities. However, being persons of color in an underserved community, it is easy to recognize the signpost of marginalization. With the policy bias on the recommended Executive Committee so tilted against the General Manager's policy agenda of "One Water, One People," it's hard to imagine how any meaningful policy will make it to the committee agenda addressing One Water and Underserved Communities.

As I mentioned earlier in this letter, addressing workplace issues at MWD is a high priority for San Fernando. It is my understanding that the four remaining investigation reports by the Shaw Group were received at MWD in November 2021. The fact that the reports have not been shared with the board and publicly released undermine the claims of transparency by the agency's leaders. But I have faith in your desire to resolve these issues once and for all.

In many respects, assuring the workforce and restoring an environment of trust overall can be the hallmark of your legacy as a leader at MWD. If your slate is controversial among the board, it is only so because there is an absence of basic trust among good people with policy differences. It is up to you to foster a place where the wounds of distrust can continue to heal, and to recognize that the assignment of these committee leadership positions can erode your overall goals.

Honorable Gloria Gray, Chairwoman of the Board Metropolitan Water District of Southern California

Agenda Item 7-1 (Appointment of Committee Chairs and Vice Chairs)
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We appreciate your efforts of bringing unity to MWD's board. I have also asked our delegate to work towards reconciliation and unity at MWD, even at the expense of not having a leadership position on the board. Regretfully, the naming of leadership positions at the current time will create more division and potential controversy. I sincerely hope that you will act to avert the acrimony over the horizon.

Sincerely yours,

Sylvia Ballin

Councilmember

City of San Fernando

& Former Board Member of the Metropolitan Water District of Southern California

Cc: Adel Hagekhalil, General Manager, MWD

Abel Salinas, Ethics Officer

Rosa Castro, Board Secretary, for distribution to the Board of Secretary, for

distribution to the Board of Directors

Mayor Mary Mendoza

Nick Kimball, City Manager