

# THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

## MINUTES

### EXECUTIVE COMMITTEE

**March 22, 2022**

Chairwoman Gray called the teleconference meeting to order at 12:15 p.m.

Members present: Directors Abdo, Atwater, Camacho, Cordero, De Jesus, Dick, Gray, Kurtz, Luna, Ramos (entered after roll call), Record, and Smith

Member absent: None

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

Committee staff present: Beatty, Castro, Chapman, Coffey, Hagekhalil, Hudson, Kasaine, Tonsick, Salinas, Scully, Upadhyay, and Zinke

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

| Name            | Affiliation   | Item                                |
|-----------------|---|-------------------------------------|
| Caty Wagner     | Sierra Club of CA   | Committee Assignment                |
| Conner Everts   | Alliance<br>Environmental<br>Water Caucus &<br>Environmental<br>Justice Coalition | Committee Assignment/Public Comment |
| Charming Evelyn | Sierra Club of CA &<br>Environmental and<br>Social Justice<br>Committee           | Committee Assignment/Public Comment |

#### **2. OTHER MATTERS AND REPORTS**

a. Subject: Chairwoman's Report

Presented by: Chairwoman Gloria D. Gray

Chairwoman Gray spoke on the ongoing drought conditions and water conservation.

In addition, Chairwoman Gray announced under Section 2202 of the Administrative Code, she removed Director Repenning from Vice Chair of the Board position.

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

Presented by: General Manager Adel Hagekhalil

General Manager Hagekhalil reported on the following:

- Traveled to Washington, D.C. with Chairwoman Gray, the Los Angeles Chamber, and BizFed and met with legislators asking for support with the recycled water funding provided under the infrastructure bill.
- Liz Crosson was recently hired as Metropolitan's Chief Sustainability, Resiliency, and Innovation Officer to begin March 28, 2022. General Manager also announced that a selection was made for the Diversity Equity & Inclusion Officer to begin in April.
- Metropolitan received two grants from the state to assist with our Direct Install Program in partnership with Southern California Gas Company; and for additional funding for Metropolitan's Turf removal program.
- Provided a drought and conservation update.
- Introduced Assistant General Manager Upadhyay to present an update on State Water Project supply and its effect on state water project dependent areas.
- The first All-Hands Manager Forum will be conducted this month to launch a series of trainings to enhance the culture at Metropolitan's workplace and quality of work.
- A confidential State Audit report will be presented at a Special Board Meeting on March 29, 2022.

The following Directors provided comments or asked questions:

| Directors |           |
|-----------|-----------|
| 1.        | Repenning |
| 2.        | Ortega    |
| 3.        | Blois     |
| 4.        | Goldberg  |
| 5.        | Cordero   |
| 6.        | Quinn     |

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

No report was given.

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

Presented by: Assistant General Auditor John Tonsick

Assistant General Auditor Tonsick stated he had nothing to add to the written report.

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

Presented by: Ethics Officer Abel Salinas

Ethics Officer Salinas stated that the Form 700 due date is April 1, 2022.

f. Subject: Report from Audit and Ethics Committee

Chairwoman Gray announced that the Audit and Ethics Committee will not be meeting in April.

g. Subject: Report from Communications and Legislation Committee

Presented by: Committee Chair Cordero

Committee Chair Cordero announced that the Committee will hear the following consent item:

- Express support for SB 991 (Newman, D-Fullerton): Public contracts: progressive design-build: local agencies.

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.

i. 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 two action items:

- Adopt the resolution finding that for fiscal years 2022/23 through 2025/26, the ad valorem property tax rate limitation of Metropolitan Water District Act Section 124.5 is not applicable because it is essential to Metropolitan's fiscal integrity to collect ad valorem property taxes in excess of the limitation.
- Approve the proposed biennial budget for fiscal years 2022/23 and 2023/24, which includes the Capital Investment Plan and revenue requirements for fiscal years 2022/23 and 2023/24, and ten-year forecast; adopt resolutions fixing and adopting the water rates and charges for calendar years 2023 and 2024.

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

j. Subject: Report from Legal and Claims Committee

Presented by: Committee Chair Dick

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

- The General Counsel's monthly activities.

In closed session, the Committee will hear four items:

- A report on *Baker Electric, Inc. v. Metropolitan*, and consider authorizing an increase in the amount payable under contract with Exponent, Inc. for consulting services and Musick, Peeler & Garrett, LLP for legal services.
- Authorize a settlement in the lawsuit, *John Campbell v. Metropolitan*.
- A report on the *Pacific Coast Federation of Fishermen's Associations v. Ross* case.
- The *San Diego County Water Authority v. Metropolitan* litigation, including discussions regarding potential settlement.

k. Subject: Report from Organization, Personnel and Technology Committee

Presented by: Committee Vice Chair McCoy

Committee Vice Chair McCoy announced that the Committee will hear two committee items:

- Update on Status of Recommendations for Independent Review of Workplace Concerns.
- Labor Negotiations Update.

There will be no Human Resources Manager's Report or Information Technology Manager's Report in April.

- I.           Subject:           Report from One Water (Conservation and Local Resources) Committee

Presented by:   Committee Chair Abdo

Committee Chair Abdo announced that the Committee will hear three committee items:

- Oral Update on Conservation Program Activity.
- Oral Update on New and Modified Conservation Programs.
- Oral Update on Southern Nevada Water Authority's Non-Functional Turf Removal.

There will be one management report on:

- Water Resource Management Manager's Report.

- m.           Subject:           Report from Real Property and Asset Management Committee

Presented by:   Committee Vice Chair Peterson

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

- Authorize an agreement to grant a new ten-year license agreement to New Cingular Wireless PCS LLC, for the continued operation of an existing telecommunications site on Metropolitan's fee-owned property in the city of Yorba Linda identified as Orange County Assessor Parcel Number 329-021-03.
- Authorize an agreement to grant a new ten-year license agreement to CCATT LLC, for the continued operation of an existing telecommunications site on Metropolitan's fee-owned property in the city of Los Angeles commonly identified as the Los Angeles County Assessor Parcel Number 4493-014-906.

As well as one oral report:

- Headquarters Sustainability Initiatives and Utility Use Overview.

Lastly, the Real Property group manager will present her monthly report.

n. Subject: Report from Water Planning and Stewardship Committee

Presented by: Committee Chair Atwater

Committee Chair Atwater announced that the Committee will hear four consent calendar items including:

- Authorize agreement with Western Municipal Water District, Rubidoux Community Services District, West Valley Water District, and San Bernardino Valley Municipal Water District to provide Rubidoux Community Services District assistance on water deliveries.
- Authorize the General Manager to negotiate an agreement consistent with the draft terms of the Metropolitan Water District/Inland Empire Utilities Agency Exchange Agreement.
- Authorize the General Manager to: (1) secure one-year water transfers with various water districts north of the Sacramento-San Joaquin River Delta for up to 75,000 acre-feet of additional supplies; (2) secure storage and conveyance agreements with the Department of Water Resources and various water districts to facilitate these transfers; (3) pay up to \$60 million from the State Water Project Budget for such transfers; and grant final decision-making authority to the General Manager subject to the terms set forth in this letter.
- Appropriate \$20 million and authorize an amendment to the 2019 Reservoir Project Agreement with the Sites Project Authority to allow participation in the Sites Reservoir Project Amendment 3 Workplan.

As well as four committee items:

- Update on Water Surplus and Drought Management.
- Update on the Antelope Valley East Kern Water Agency High Desert Water Bank.
- Colorado River Tribal Partnerships.
- Bay-Delta Policies Workshop #1.

Lastly, the Committee will hear three management reports:

- Colorado River Manager's Report.
- Bay-Delta Manager's Report.
- Water Resource Management Manager's Report.

The following report was heard out of order.

h. 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:

- Adopt CEQA determination that the proposed action was previously addressed in the certified 2005 Environmental Impact Report; award a \$18,930,000 contract to Woodcliff Corporation for improvements to the La Verne Shops; and authorize an agreement with Richard Brady & Associates for a not to exceed amount of \$650,000.
- Authorize an agreement with Stantec Consulting Services, Inc. for a not-to-exceed amount of \$8.5 million to replace the control system at the Mills Water Treatment Plant and amend an existing agreement with CH2M Hill Engineers, Inc. for a not-to exceed amount of \$4.435 million; the General Manager has determined that this proposed action is exempt or otherwise not subject to CEQA.
- Adopt the CEQA determination that the proposed project was previously addressed in the approved 2014 Mitigated Negative Declaration and related CEQA action, award a \$17,226,250 contract to Spinello Infrastructure West, Inc to replace the lining in a portion of the Orange County Feeder, and authorize the General Manager to enter into a new 24-month lease agreement, with an 18-month option to extend, at 2750 Bristol Street in Costa Mesa, CA (Assessor's Parcel No. 418 182-05) in an amount not to exceed \$360,000 for use as a construction staging and storage site.
- Appropriate \$600 million for projects identified in the Capital Investment Plan for Fiscal Years 2022/23 and 2023/24 and authorize the General Manager to initiate or proceed with work on capital projects identified in the Capital Investment Plan for Fiscal Years 2022/23 and 2023/24 and Minor Capital Projects to be identified during the biennial period, subject to any limits on the General Manager's authority and CEQA requirements; the General Manager has determined that the proposed actions are exempt or otherwise not subject to CEQA.

In addition, the Committee will hear one oral report:

- Overview of Arc Flash Safety Planning.

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

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

### **CONSENT CALENDAR ITEMS – ACTION**

#### **3. CONSENT CALENDAR OTHER ITEMS – ACTION**

- A. Approval of the Minutes of the meeting of the Executive Committee held February 22, 2022, and the meeting of the Special Executive Committee held March 8, 2022.
- B. Approve draft committee and board meeting agendas, and schedule for April 2022.

Chairwoman Gray asked Directors if there were any comments or discussions on the minutes of February 22, 2022, Executive Committee Meeting, and the meeting of the Special Executive Committee held March 8, 2022. None were made.

Chairwoman Gray then asked Directors if there were any comments, additions, or corrections to the April 2022 Draft Packet. None were made.

- C. Create an ad hoc subcommittee of the Executive Committee and select three members to serve on the subcommittee to investigate allegations pursuant to Administrative Code section 2416(f)(5); the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Chairwoman Gray proposed the selection of three members: Directors Kurtz, Ramos, and Record to serve on the subcommittee then opened the matter for discussion.

The following Director provided comments or asked questions:

- Directors
- 1. Ortega

Outside counsel Lance Olson, Olson Remcho LLP responded to the Director questions and comments.

Chairwoman Gray called for the vote.

After hearing committee reports, Director Atwater made a motion, seconded by Director De Jesus to approve the consent calendar consisting of Items 3A, 3B, and 3C.

The vote was:

Ayes: Directors Abdo, Atwater, Camacho, Cordero, De Jesus, Dick, Gray, Kurtz, Luna, Ramos, Record, and Smith

Noes: None

Abstentions: None

Absent: None

The motion for Item 3A, 3B, and 3C passed by a vote of 12 ayes; 0 no; 0 abstain; and 0 absent.

#### **END OF CONSENT CALENDAR ITEMS**

#### **4. OTHER BOARD ITEMS – ACTION**

None

#### **5. BOARD INFORMATION ITEMS**

None

#### **6. FOLLOW-UP ITEMS**

None

#### **7. FUTURE AGENDA ITEMS**

None

The meeting was adjourned at 1:16 p.m.

Gloria D. Gray  
Chairwoman of the Board