

# **THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

## **MINUTES**

### **EXECUTIVE COMMITTEE**

**May 25, 2021**

Chairwoman Gray called the teleconference meeting to order at 12:02 p.m.

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

Member absent: None

Other Board members present: Directors Blois, Erdman, Fellow, Galleano, Goldberg, Hawkins, Jung, Lefevre, Luna, Morris, Ortega, Peterson, Pressman, Quinn, Tamaribuchi, and Williams

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

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

None

#### **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 Jeffrey Kightlinger

General Manager Kightlinger stated he had nothing to add to his report.

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

Presented by: General Counsel Marcia Scully

General Counsel Scully reported on the following:

Systems Integrated (vendor for SCADA software support) noticed an ex parte hearing against Metropolitan for May 18, 2021 to restrain Metropolitan from moving forward with the current RFP process to upgrade the SCADA system, asserting disclosure of copyrighted materials in violation of a previous licensing agreement. Litigation was also filed as well, but Metropolitan had not been served. Outside counsel assisted on the ex parte issue and the court ruled in Metropolitan's favor finding that documents filed by Systems Integrated were insufficient.

Regarding the recent *Williams vs Metropolitan* matter re Yuma Island litigation. This is the third case filed by Mr. Williams on behalf of himself and other farmers on Yuma Island, asserting Metropolitan violated their rights to Colorado River water. The courts dismissed the case without providing any leave to amend. Following the court's decision, Metropolitan received an appeal on this matter.

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

Presented by: General Auditor Gerald Riss

The General Auditor reported that the initial planning meeting for the 2020/21 Annual Financial Audit was conducted. Attendees included staff from the Controller's office, Internal Audit Department, as well as KPMG. The audit fieldwork begins in August.

- e. Subject: Ethics Officer's report of Ethics Department 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 announced that the Committee will hear a report on the Ethics Office monthly activity.

In addition to providing an update on the Audit department activities, the General Auditor will conduct a discussion on KPMG External Audit Fiscal Year 2020/21 Audit Plan.

Mr. Riss will also present a board letter for an extension of the KPMG external audit contract.

g. Subject: Report from Bay-Delta Committee

Presented by: Committee Chair Ackerman

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

- Update on Delta Conveyance.
- Presentation of Delta Conveyance Tribal Engagement, including overview of DWR's Tribal Consultation Policy and Process. This presentation will be provided by DWR's Tribal Policy Advisor, Anecita Agustinez.
- Overview of Metropolitan's Bay-Delta Science Program

and, lastly the Committee will hear the Bay-Delta Manager's report.

h. Subject: Report from Communications and Legislation Committee

Presented by: Committee Chair Cordero

Committee Chair Cordero announced that the Committee will hear the following committee items:

- Update on Metropolitan Website Redesign Project.
- Service Recognition of the Diamond Valley Lake Docents.
- Reports on Activities from Washington D.C.
- Report on Activities from Sacramento.

As well as the External Affairs Management Report.

i. Subject: Report from Engineering and Operations Committee

Presented by: Committee Chair Smith

Committee Chair Smith announced the Committee will hear two consent items:

- Authorize an agreement with Black & Veatch Corporation, Inc., in an amount not to exceed \$8 million, for engineering and technical studies to

support environmental planning activities of the Regional Recycled Water Program.

- Adopt resolution to support Metropolitan's \$6,250,000 WaterSMART Title XVI WIIN Water Reclamation and Reuse grant application and authorize General Manager to accept funding and enter contract if awarded.

In addition, the Committee will hear three oral reports:

- Application of Hydraulic Modeling.
- Shutdown Planning at Metropolitan.
- Capital Investment Plan quarterly report for period ending Mar 2021.

and, the following two management reports:

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

j. Subject: Report from Finance and Insurance Committee

Presented by: Committee Vice Chair Record

Committee Vice Chair Record announced that the Committee will hear two action items:

- Approve up to \$1.594 million to purchase insurance coverage for Metropolitan's Property and Casualty Insurance Program.
- Approve Metropolitan's Statement of Investment Policy for fiscal year 2021/22, delegate authority to the Treasurer to invest Metropolitan's funds for fiscal year 2021/22.

Also, note the following item has been withdrawn from the June draft agenda: Item 7-2, a Board Letter for Action Approving Update to Rate Refinement Structure Principles Recommended by the Member Agency Workgroup. This item is deferred to July.

In addition, the Committee will hear two committee items:

- Financing Overview for Bond Issuance
- Quarterly Investment Activities Report

and, lastly the Chief Financial Officer's 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 General Counsel's monthly activities report; and will consider an item regarding Board Parliamentary Procedures.

In closed session, the Committee will hear a report on:

- The Department of Water Resources Water Operations cases and consider a request to approve an increase in maximum amount payable under contract with the law firm Andrade Gonzalez LLP.

The committee will also hear an update on the *San Diego County Water Authority v. Metropolitan* rate litigation.

- l.           Subject:           Report from Organization, Personnel and Technology Committee

Presented by:   Committee Chair Murray

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

- Converting to a Hybrid Work Environment
- Ethics Officer's Monthly Update on Independent Review of Workplace Concerns
- Diversity, Equity, and Inclusion Council Update

In addition, the Committee will hear the Information Technology Group Manager report; as well as an update from the Chief Administrative Officer.

There will be no Human Resources Manager's Report in June.

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

Presented by:   Committee Chair Hogan

Committee Chair Hogan announced that the Committee will hear one consent calendar item:

- Authorize the General Manager to acquire approximately 701 gross acres of property located in Riverside County in the Palo Verde Valley from Cox Family Farms, LLC and enter into a lease amendment with Coxco, LLC to add the newly acquired acreage to an existing lease, to be heard in closed session.

and, will also hear the Real Property Group Manager's Report

n. Subject: Report from Water Planning and Stewardship Committee

Presented by: Committee Chair Atwater

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

- Review and consider the Santa Margarita Water District's approved Final Mitigated Negative Declaration and Addendum and take related CEQA actions; and authorize the General Manager enter into an agreement with the Municipal Water District of Orange County and Santa Margarita Water District for the Las Flores Recycled Water Expansion Project.
- By a two-thirds vote, authorize the General Manager to make payment of up to \$780,800 for support of the Colorado River Board and Six Agency Committee for FY 2021/22.
- Approve framework for consideration of Local Resource Program extension requests; authorize General Manager to amend the start-of-operation deadline and subsequent milestones by up to three fiscal years; direct staff to request Board authorization to revise agreements and reduce the maximum length of operation by any duration longer than three years; and, review and approve extension request for LADWP Terminal Island project.
- Review and consider Inland Empire Utilities Agency's approved Final PEIR and Addendum and take related CEQA actions, and authorize the General Manager to enter into a Stormwater for Recharge Pilot Agreement with Inland Empire Utilities Agency for the Montclair Basins Improvement Project.
- Authorize General Manager to enter into an agreement with the U.S Bureau of Reclamation, Central Arizona Water Conservation District and Southern Nevada Water Authority to: (1) fund up to *[an amount to be determined]* to conserve water from land fallowing programs; and (2) forebear up to *[an amount to be determined]* acre-feet of conserved Colorado River water generated under the agreement.

As well as hear two board information items on:

- Update on California Proposition 1 Water Storage Investment Program and Letter of intent to work with Inland Empire Utilities Agency on the Chino Basin Program.
- Review of Storage Management Strategy and Implementation.

and, two committee items:

- Oral update on Water Surplus Drought Management.
- Lower Colorado River Multi Species Conservation Program.

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

- Colorado River Matters.
- Water Resource Management 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 April 27, 2021; and the meeting of the Special Executive Committee held April 16, 2021.

Chairwoman made a statement regarding a previous board discussion on "Adding information from closed session to the April 16, 2021 Special Executive Committee meeting Minutes." Chairwoman stated that since closed session discussion is confidential, it is therefore not included in the minutes. Accordingly, no changes were made to the April 16, 2021 Special Executive Committee meeting Minutes. Chairwoman also reminded the Board that matters discussed in closed session are confidential and must not be revealed to anyone outside of the closed session; this includes member agencies.

Chairwoman Gray asked Directors if there were any comments or discussion on the Minutes of the April 27, 2021 Executive Committee Meeting.

The following Directors provided comments or asked questions:

1. Smith
2. Smith
3. Repenning
4. Ortega

Staff responded to the Directors.

Chairwoman Gray then asked Directors if there were any comments, additions, or corrections to the June 2021 Draft Packet. No requests were made.

- B. Approve draft Committee and Board meeting agendas, and schedule for June 2021.

**4. CONSENT CALENDAR ITEMS – ACTION**

None

Chairwoman Gray called for the vote.

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

The vote was:

Ayes: Directors Abdo, Ackerman, Atwater, Camacho, Cordero, De Jesus, Dick, Gray, Hogan, Kurtz, Murray, Ramos, Record, Repenning, and Smith

Noes Directors Hogan, Murray, Repenning, and Smith (item 3A)

Abstentions: None

Absent: None

The motion for Item 3A passed by a vote of 11 ayes; 4 no; 0 abstain; and 0 absent.

The motion for Item 3B passed by a vote of 15 ayes; 0 no; 0 abstain; and 0 absent.

**END OF CONSENT CALENDAR ITEMS****5. OTHER BOARD ITEMS – ACTION**

None

**6. BOARD INFORMATION ITEMS**

None

**7. FOLLOW-UP ITEMS**

None



The following Director asked a question:

1. Peterson

Staff responded to the Directors.

## **8. FUTURE AGENDA ITEMS**

None

The following Directors made comments or asked questions:

1. Murray
2. De Jesus
3. De Jesus
4. Ortega
5. De Jesus
6. Murray

Staff responded to the Directors.

The meeting was adjourned at 12:40 p.m.

Gloria D. Gray  
Chairwoman of the Board