

**MINUTES OF THE FORMAL BOARD OF DIRECTORS' MEETING
SEPTEMBER 22, 2011**

WATER PLANNING COMMITTEE

CALL TO ORDER/ROLL CALL

Chair Dion called the Water Planning Committee Meeting to order at 9:01 a.m. Committee members present were Chair Dion, Vice Chairs Price and Saunders, Directors Ferguson, Hogan, Jungreis*, Linden, Steiner, Walson and K. Williams. Directors Boyle, Heidel, Pocklington and Watton were absent. Also present were Directors Arant*, Bailey*, Bond, Dailey, Knutson*, McIntosh, Saxod, Smith, Wight, H. Williams* and Wilson. At that time, there was a quorum of the Board and the meeting was conducted as a meeting of the Board; however, only committee members participated in the vote.

Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Water Resources Director Weinberg, Water Resources Manager Roy, and Principal Water Resources Specialist Stadler.

PUBLIC COMMENT

There were no public comments.

DIRECTORS' COMMENTS

There were no comments made by Directors.

CHAIR'S REPORT

Chair Dion remarked on the progress and accomplishments of the Integrated Regional Water Management Program to date, thanking staff, directors, and member agencies involved in its ongoing success. He noted that cooperation between the Water Authority, City of San Diego and County of San Diego was a great example of what could be accomplished by different levels of government working together. In looking ahead, Chair Dion advised the committee would be focusing on the Carlsbad Desalination project, the Water Shortage and Drought Response Plan and Allocation methodology, the Facilities Master Plan and technical studies for Camp Pendleton Desalination.

I. CONSENT CALENDAR

There were no Consent Calendar items.

*Directors Arant, Bailey and Jungreis arrived at 9:10 a.m.

II. ACTION/DISCUSSION

1. San Diego Integrated Regional Water Management Program.
 - 1-A Professional services contract with RMC Water and Environment for Integrated Regional Water Management Program services and plan update in the amount of \$1,534,930.
Staff recommendation: Award a professional services contract to RMC Water and Environment for Integrated Regional Water Management support services in the amount of \$1,534,930.

 - 1-B Memorandum of understanding with city of San Diego and county of San Diego for implementation of Integrated Regional Water Management program activities.
Staff recommendation: Approve the memorandum of understanding with the city of San Diego and the county of San Diego for Integrated Regional Water Management Program activities.

Mr. Stadler reported on the San Diego Integrated Regional Water Management program background, structure, activities and accomplishments, and the components of an updated Memorandum of Understanding with the city of San Diego and the County of San Diego. He also presented information on the selection process and resulting recommendation of RMC Water and Environment as the consultant for IRWM services and IRWM plan update.

Director Price moved and Director Steiner seconded a motion to approve staff's recommendations for Action/Discussion Items 1-A and 1-B. Following comments and questions posed by Directors Jungreis, Walson and Saunders, the motion passed unanimously.

*Directors Knutson and Williams arrived at 9:18 a.m. and 9:20 a.m., respectively.

III. INFORMATION

The following item was received and filed:

1. Water Resources report.

IV. CLOSED SESSION

There were no Closed Session items.

V. ADJOURNMENT

Chair Dion adjourned the meeting at 9:22 a.m.

ADMINISTRATIVE AND FINANCE COMMITTEE

CALL TO ORDER / ROLL CALL

Director Wight called the Administrative and Finance Committee meeting to order at 9:30 a.m. Committee members present were Chair Wight, Vice Chair Bond, Directors Arant, Bailey, Dion, Price, Saunders, Smith, and H. Williams. Committee members absent were Vice Chair Croucher, Directors Hilliker, Lewis, Muir, and Wornham. At that time, there was a quorum of the Board, and the meeting was conducted as a meeting of the Board; however, only committee members participated in the vote.

Also present were Directors Dailey, Ferguson, Jungreis, Knutson, Linden, McIntosh, Saxod, Steiner, Walson, K. Williams, and Wilson. Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Director of Finance/Treasurer Sandler, Controller Greek, Director of Human Resources Leone, and Administrative Services Manager Ellison.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

There were no members of the public who wished to speak.

CHAIR'S REPORT

There was no Chair's report.

DIRECTORS' COMMENTS

There were no Director's comments.

I. CONSENT CALENDAR

1. Treasurer's report.
Staff recommendation: Note and file the monthly Treasurer's report.
2. Administrative Code amendment as a result of department consolidation.
Staff recommendation: Adopt Ordinance No. 2011-___ an Ordinance of the Board of Directors of the San Diego County Water Authority making technical amendments to various sections of the Administrative Code required by the consolidation of the Engineering and Right of Way Departments.
3. Resolution certifying results of ballot regarding a change to Metropolitan Water District's annexation charges for five previously annexed areas within the Water Authority.
Staff recommendation: Adopt Resolution No. 2011-___ to certify results of the ballot regarding changes to Metropolitan Water District annexation levies.

Director Smith moved, Director Bailey seconded, and the motion passed unanimously to approve the consent calendar.

II. ACTION/DISCUSSION

1. Amend Ordinance 2011-01 to correct an error in the allocation of the Storage, Customer Service, and Readiness-to-Serve charges to member agencies.
Staff recommendation: Adopt Ordinance 2011-___ an Ordinance of the Board of Directors of the San Diego County Water Authority amending Ordinance 2011-01 to correct the allocation of the storage, customer service, and readiness-to-serve charges.

Mr. Greek provided a brief presentation on the 2012 fixed charge allocations and explained the minor changes and adjustments.

Directors asked questions and Mr. Greek provided answers.

Vice Chair Bond moved, Director Smith seconded, and the motion passed unanimously to approve the staff recommendation.

III. INFORMATION

1. Presentation on refunding of bonds.

Mr. Sandler provided a brief presentation on the results of the refunding transactions for Series 2011B.

Directors asked questions and Mr. Sandler provided answers.

2. Report on purchase orders and contracts for goods and services above \$10,000 awarded between July 1, 2010 and June 30, 2011.
3. Controller's report.

Mr. Greek provided a brief presentation on the Controller's Report explaining its format in full detail.

4. Board Calendar

IV. CLOSED SESSION

There were no Closed Session items on the agenda.

V. ADJOURNMENT

There being no further business to come before the Administrative and Finance Committee, Chair Wight adjourned the meeting at 9:48 a.m.

ENGINEERING AND OPERATIONS COMMITTEE
CALL TO ORDER/ROLL CALL

Chair Knutson called the Engineering and Operations Committee to order at 10:00 a.m. Committee members present were Chair Knutson, Vice Chair Dailey, Directors Bailey, Ferguson, Hogan, McIntosh, Saxod, Smith, K. Williams, and Wilson. Director Mudd arrived at 10:15 a.m. Vice Chair Pocklington and Directors Douglas, Lewinger, and Morrison were absent. There was a quorum of the Committee. Other Board members present were Directors Arant, Bond, Dion, Hilliker, Jungreis, Linden, Price, Saunders, Walson, Wight and H. Williams.

Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Director of Engineering Rose, Director of Operations and Maintenance Eaton, Engineering Manager Bousquet, Principal Engineer Schuler, and Lead Construction Administrator Griffis.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

There were no members of the public who wished to address the Committee.

CHAIR'S REPORT

Chair Knutson reminded the Committee and Board of the E&O Committee Tour scheduled for Thursday, October 13, 2011, gave an update on the E&O Lake Hodges Subcommittee and announced that the San Vicente Tunnel had won an award for Pipe Fabrication Project of the Year for 2010 by the Steel Tank Institute – Steel Plate Fabricators Association.

I. CONSENT CALENDAR

1. Agreement with Olivenhain Municipal Water District for design, construction, operation and maintenance of the Olivenhain 9 and 10 service connections, the treated water pipeline and the untreated water pipeline.

Staff recommendation: Authorize the General Manager to execute an Agreement with Olivenhain Municipal Water District, in substantially the form of the attached, for design, construction, operation and maintenance of the Olivenhain 9 and 10 service connections, the treated water and the untreated water pipelines.

Director Ferguson moved to approve, Vice Chair Dailey seconded and the motion to approve the Consent Calendar passed unanimously.

II. ACTION/DISCUSSION

1. Amendment to the agreement with Olivenhain Municipal Water District for purchase of water treatment services.
Staff recommendation: Authorize the General Manager to amend the ten-year Water Purchase Agreement from the Olivenhain Municipal Water District's David C. McCollum Water Treatment Plant, increasing the Water Authority's discount rate from \$8.17 to \$61.52 per acre-foot of treated water supplied.

Mr. Eaton gave a presentation which included review of the Existing Agreement, Performance to Date, and the Amendment to Agreement.

Vice Chair Dailey moved, Director Smith seconded and the motion to accept staff's recommendation passed unanimously.

2. Change Order to Shimmick/Obayashi Joint Venture for the San Vicente Dam Raise Package 3 – Roller Compacted Concrete Dams and Appurtenant Facilities project.
Staff recommendation: Authorize the General Manager to execute a change order for up to \$1,476,000 to increase the quantity of roller compacted concrete to fill foundation areas where unsuitable foundation material was removed, increasing the contract amount from \$140,977,220.70 to \$142,453,220.70.

Mr. Griffis gave a presentation that included a construction update and provided information regarding the requested change order.

Director K. Williams moved, Director Wilson seconded and the motion to accept staff's recommendation passed unanimously.

III. INFORMATION

1. Presentation on Power Outage Event.

Mr. Eaton gave a presentation that included information about the blackout event, emergency response activities, lessons learned and follow-up information. The Committee and Board further discussed the power outage event, related activities, further lessons learned and suggestions.

2. Advertisement for bids for Alemania Road.

IV. CLOSED SESSION

There were no Closed Session items on the agenda.

V. ADJOURNMENT

There being no further business to come before the Engineering and Operations Committee, Chair Knutson adjourned the meeting at 10:40 a.m.

LEGISLATION, CONSERVATION AND OUTREACH

CALL TO ORDER / ROLL CALL

Chair Saxod called the Legislation, Conservation and Outreach Committee to order at 10:53 a.m. Committee members present were Chair Saxod, Vice Chairs Hilliker and Jungreis, and Directors Dailey, Mudd, Walson, and H. Williams. Committee members absent were Directors Bowersox, Boyle, Croucher, Douglas, Muir, Tu, and Wornham. Other Board members present were Directors Arant, Bond, Dion, Ferguson, Hogan, Knutson, Linden, McIntosh, Price, Smith, Wight, K. Williams, and Wilson. There was no quorum of the Committee. Chair Saxod appointed Director Hogan to serve on the Committee to create a quorum of the Committee.

Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Director of Public Outreach and Conservation Foster, Public Affairs Manager Westford, Government Relations Manager Volberg, Small Contractors Outreach and Opportunities Program Manager Yanushka, and Management Analyst Schnell.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

There were no members of the public who wished to address the Committee.

CHAIR'S REPORT

Chair Saxod announced that the Water Authority would hold a Legislative Roundtable on November 4, 2011, from 8 a.m. to 10 a.m. She stated that Assembly Members Martin Garrick, Ben Hueso, and Diane Harkey would be in attendance. Invitations and additional information would be sent out in early October.

Chair Saxod reported that the second Water Talks was held on September 13, 2011, at the Hewlett Packard facility in Rancho Bernardo. The topic was local supply development and desalination. She announced that the next Water Talks forum would be held in January, location and subject to be determined at a later date.

DIRECTORS' COMMENTS

There were no Directors' Comments.

I. CONSENT CALENDAR

There were no items on the Consent Calendar.

II. ACTION/DISCUSSION

1. Legislative Issues.
1-A Report by Carpi and Clay.

Mr. Clay reported that Mr. Carpi was in Washington, D.C., and he would provide Mr. Carpi any questions from the Board. Mr. Clay reported on issues in Sacramento.

II. INFORMATION

1. Presentation on legislation and legislative positions.

Ms. Schnell provided a presentation including summary and positions of bills supported by the Board. She stated she would advise if SB 607 was updated every three or five years.

2. Presentation on Small Contractor Outreach and Opportunities Program annual report.

Ms. Yanushka provided a presentation on the annual report for SCOOP, including objective of the program, program elements, outreach activities, training update, number of small businesses and dollars awarded, program measurements for fiscal year 2011, and steps for moving forward.

3. Quarterly Water Conservation Garden report.

Chair Saxod stated this item would be deferred to next month.

4. Conservation Action Committee.

Chair Saxod reported the next Conservation Action Committee meeting had been rescheduled to October 10, 2011, and this report would be deferred to next month.

The following items were received and filed:

5. Quarterly report on Public Outreach and Conservation activities
6. Government relations update

IV. ADJOURNMENT

There being no further business to come before the Legislation, Conservation and Outreach Committee, Chair Saxod adjourned the meeting at 11:34 a.m.

IMPORTED WATER COMMITTEE

CALL TO ORDER / ROLL CALL

Vice Chair Tu called the Imported Water Committee meeting to order at 1:00 p.m. Committee members present were Vice Chairs Arant and Tu, Directors Bond, Knutson, Lewis*, Linden, McIntosh, Steiner*, Wight, and Wilson. Chair Watton and Directors Bowersox, Heidel, Lewinger, and Morrison were absent. Also present were Directors Bailey, Dailey, Dion, Hilliker, Hogan, Jungreis, Price, Saxod, Smith, Walson, H. Williams, and K. Williams. At that time, there was a quorum of the full Board, and the meeting was conducted as a meeting of the Board, however, only committee members participated in the vote.

Staff present included General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Kerl and Belock, Assistant General Manager Cushman, Colorado River Program Director Razak, MWD Program Chief Chen, and others.

*Directors Steiner and Lewis arrived at 1:22 p.m. and 1:30 p.m., respectively.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

There were no public comments.

CHAIR'S REPORT

Vice Chair Tu welcomed everyone to the first of a two-part workshop on Bay Delta activities and introduced each presenter by providing brief biographies.

DIRECTORS' COMMENTS

There were no Director's comments.

I. CONSENT CALENDAR

There were no items on the consent calendar.

II. ACTION/DISCUSSION

1. Bay Delta presentations by:

- Westlands Water District – Jason Peltier, Chief Deputy General Manager
- Environmental Defense Fund – Cynthia Koehler, California Water Legislative Director
- Contra Costa County – Hon. Mary Nejedly Piepho, District III Contra Costa County Board of Supervisor
- North Delta Water Agency – Melinda Terry, Manager

Each representative from the above agencies made presentations. Following the presentations, Directors asked questions and made comments.

2. Metropolitan Water District Issues and Activities update.
2-A Metropolitan Water District's Delegates report.

Director Steiner stated the report was available in the board supplemental materials packet.

3. Colorado River Programs.
3-A Colorado River Board representative's report.

Director Knutson announced the report was available in the board supplemental materials packet.

III. INFORMATION

The following information item was noted and filed:

1. Metropolitan Water District Program report.

Mr. Hentschke took the Committee into closed session at 2:57 p.m.

IV. CLOSED SESSION

1. CLOSED SESSION:
Conference with Legal Counsel – Existing Litigation and Potential Litigation
Government Code §54956.9(a) – SDCWA v Metropolitan Water District of
Southern California; Case No. CPF-10-510830
Government Code §54956.9(c) – One Case
2. CLOSED SESSION:
Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(a)
Name of Case: QSA Judicial Council Coordination Proceeding No. 4353

Mr. Hentschke brought the Committee out of Closed Session at 3:11 p.m. and stated there was no reportable action.

V. ADJOURNMENT

There being no further business to come before the Imported Water Committee, Vice Chair Tu adjourned the meeting at 3:11 p.m.

FORMAL BOARD OF DIRECTORS' MEETING OF SEPTEMBER 22, 2011

1. **CALL TO ORDER** Chair Hogan called the Formal Board of Directors' meeting to order at 3:15 p.m.
2. **SALUTE TO THE FLAG** Director Saunders led the salute to the flag.
3. **ROLL CALL, DETERMINATION OF QUORUM**
Secretary Smith called the roll. Directors present were Arant, Bailey, Bond, Dailey, Dion, Ferguson, Hilliker, Hogan, Jungreis, Knutson, Lewis, Linden, McIntosh, Mudd, Pocklington, Price, Saunders, Saxod, Smith, Steiner, Tu, Walson, Wight, H. Williams, K. Williams, and Wilson. Directors absent were Bowersox, Boyle, Croucher, Douglas, Heidel, Lewinger, Morrison, Muir, Watton, Wornham, and Representative Slater-Price.

3-A **Report on proxies received.** Director Arant was the proxy for Director Lewinger.
4. **ADDITIONS TO AGENDA** There were no additions to the agenda.
5. **APPROVAL OF MINUTES** Director Knutson moved, Director Mudd seconded, and the motion carried at 82.28% of the vote to approve the minutes of the Formal Board of Directors' meeting of August 25, 2011.
6. **OPPORTUNITY FOR MEMBERS OF THE PUBLIC WHO WISH TO ADDRESS THE BOARD ON MATTERS WITHIN THE BOARD'S JURISDICTION**
There were no members of the public that wished to speak.
7. **PRESENTATIONS AND PUBLIC HEARINGS**
7-A **Retirement of Director.** Adopt Resolution No. 2011-21 honoring Bud Lewis upon his retirement from the Board of Directors effective October 3, 2011.
7-B Presentation of Directors' service certificates.

Director Lewis was honored for his many years of service. Director Steiner moved, Director Ferguson seconded, and the motion carried at 82.28% of the vote to adopt Resolution No. 2011-12 honoring Bud Lewis upon his retirement from the Board of Directors.

Chair Hogan introduced the Board members who received service certificates.
8. **REPORTS BY CHAIRS**
8-A **Chairs report: Chair Hogan.** Chair Hogan announced he would be attending the San Diego Taxpayers Board meeting in November along with Mr. Cushman. He stated a lunch was scheduled with the newer members of the Board on October 3, 2011.

- 8-B Report by Committee Chairs.
Water Planning Committee. Director Dion reviewed the meeting and the actions taken.
Administrative and Finance Committee. Director Wight reviewed the meeting and the actions taken.
Engineering and Operations Committee. Director Knutson reviewed the meeting and the action taken and he reminded the Board of the Engineering & Operations tour on October 13, 2011.
Legislation, Conservation and Outreach Committee. Director Saxod reviewed the meeting and stated there was no reportable action.
Imported Water Committee. Director Tu stated there was no reportable action.

9. **CONSENT CALENDAR**

Director Bailey moved, Director Knutson seconded, and the motion carried at 82.28% of the vote to approve the consent calendar. Directors voting no or abstaining are listed under the item number.

- 9- 1. Professional services contract with RMC Water and Environment for Integrated Regional Water Management Program services and plan update in the amount of \$1,534,930.

The Board awarded a professional services contract to RMC Water and Environment for Integrated Regional Water Management support services in the amount of \$1,534,930.

- 9- 2. Memorandum of understanding with city of San Diego and county of San Diego for implementation of Integrated Regional Water Management Program activities.
The Board approved the memorandum of understanding with the city of San Diego and the county of San Diego for Integrated Regional Water Management Program activities.

Directors Bailey and Tu abstained on this item.

- 9- 3. Treasurer's report.

The Board noted and filed the monthly Treasurer's report.

- 9- 4. Administrative Code amendment as a result of department consolidation.

The Board adopted **Ordinance No. 2011-02** an Ordinance of the Board of Directors of the San Diego County Water Authority making technical amendments to various sections of the Administrative Code required by consolidation of the Engineering and Right of Way Departments.

- 9- 5. Resolution certifying results of ballot regarding a change to Metropolitan Water District's annexation charges for five previously annexed areas within the Water Authority.
The Board adopted **Resolution No. 2011- 20** certifying results of the ballot regarding changes to Metropolitan Water District annexation levies.
- 9- 6. Amend Ordinance 2011-01 to correct an error in the allocation of the Storage, Customer Service, and Readiness-to-Serve charges to member agencies.
The Board adopted **Ordinance 2011- 03** an Ordinance of the Board of Directors of the San Diego County Water Authority amending Ordinance 2011-01 to correct the allocation of the storage, customer service, and readiness-to-serve charges.
- 9- 7. Agreement with Olivenhain Municipal Water District for design, construction, operation and maintenance of the Olivenhain 9 and 10 service connections, the treated water pipeline and the untreated water pipeline.
The Board authorized the General Manager to execute an Agreement with Olivenhain Municipal Water District for design, construction, operation and maintenance of the Olivenhain 9 and 10 service connections, the treated water and the untreated water pipelines.
- 9- 8. Amendment to the agreement with Olivenhain Municipal Water District for purchase of water treatment services.
The Board authorized the General Manager to amend the ten-year Water Purchase Agreement from the Olivenhain Municipal Water District's David C. McCollum Water Treatment Plant, increasing the Water Authority's discount rate from \$8.17 to \$61.52 per acre-foot of treated water supplied.
- 9- 9. Change Order to Shimmick/Obayashi Joint Venture for the San Vicente Dam Raise Package 3 – Roller Compacted Concrete Dams and Appurtenant Facilities project.
The Board authorized the General Manager to execute a change order for up to \$1,476,000 increasing the quantity of roller compacted concrete to fill foundation areas where unsuitable foundation material was removed, increasing the contract amount from \$140,977,220.70 to \$142,453,220.70.
10. **ACTION/DISCUSSION**
There were no items under Action/Discussion.

11. **CLOSED SESSION(S)**

11-A **CLOSED SESSION:**

Conference with Legal Counsel - Existing Litigation and Potential Litigation
Government Code §54956.9(a) - SDCWA v Metropolitan Water District of
Southern California;
Case No. CPF-10-510830
Government Code §54956.9(c) - One Case

11-B **CLOSED SESSION:**

Conference with Legal Counsel – Existing Litigation Government Code §54956.9(a)
Name of Case: QSA Judicial Council Coordination Proceeding No. 4353

There were no Closed Sessions held.

12. **Action following Closed Session.**

13. **SPECIAL REPORTS**

13-A GENERAL MANAGER'S REPORT – No report was given.

13-B GENERAL COUNSEL'S REPORT – No report was given.

13-C SANDAG REPORT – Director Bond reported on the Quality of Life Survey report.
SANDAG BORDERS/REGIONAL PLANNING COMMITTEE – Director H. Williams
announced there was nothing to report.

13-D AB 1234 COMPLIANCE REPORTS – Director Bond provided a verbal report on the
The John S. Lyons Memorial Banquet that was held on September 10, 2011.

14. **OTHER COMMUNICATIONS** - None.

15. **ADJOURNMENT**

There being no further business to come before the Board, Chair Hogan
adjourned the meeting at 4:00 p.m.

Michael T. Hogan, Chair

Richard K. Smith, Secretary

Doria F. Lore, Clerk of the Board