

**MINUTES OF THE FORMAL BOARD OF DIRECTORS' MEETING
APRIL 25, 2013**

ADMINISTRATIVE AND FINANCE COMMITTEE

CALL TO ORDER / ROLL CALL

Vice Chair Wight called the Administrative and Finance Committee meeting to order at 9:00 a.m. Committee members present were Vice Chairs Arant and Wight, and Directors Dailey, Hilliker, Hogan, Lewinger, Topolovac, Watton*, Weston, Williams and Wilson. Committee members absent were Chair Saunders, and Directors Bailey and Sanford. At that time, there was a quorum of the Board, however only Committee members participated in the vote. Also present were Directors Barnum, Brady, Evans, Kern, Linden, Madaffer, Miller, Murtland, Saxod, Tu, Simpson, Verbeke, and Wornham

* Director Watton arrived at 9:20 a.m.

Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Director of Finance/Treasurer McCraner, Director of Human Resources Leone, Director of Administrative Services Young, Financial Planning Manager Shank, and Controller Greek. Also present was Robert Grantham of Carollo Engineers.

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 Directors' comments.

I. CONSENT CALENDAR

1. Treasurer's Report.

Staff recommendation: Note and file the monthly Treasurer's report.

Director Hogan moved, Director Topolovac seconded, and the motion passed unanimously to approve the Consent Calendar.

II. ACTION/DISCUSSION

1. Selection of firms to renew the Water Authority's pre-qualified underwriting pool, the selection of a new liquidity facility to support the commercial paper program and the addition of a dealer to commercial paper program dealers.
Staff recommendation:
 - (1) Approve the recommended underwriter pool.
 - (2) Approve the selection of J.P. Morgan as the liquidity provider to replace Barclays Capital.
 - (3) Approve the addition of Morgan Stanley as a dealer for commercial paper program.
 - (4) Adopt Resolution 2013-10 authorizing the issuance and sale of short-term revenue certificates and authorizing and approving certain actions in connection therewith.

Mr. Shank began the presentation with an update on the underwriting pool, followed by a review of each of the four staff recommendations comprising the action item.

Vice Chair Arant moved, Director Hilliker seconded, and the motion passed unanimously to approve the item.

2. Presentation on preliminary results of Cost of Service Study Phase I – calendar year 2014 rates and charges.

Vice Chair Wight stated this was an information item and would be revisited as an action item at a future Board meeting.

Ms. McCraner introduced Robert Grantham of Carollo Engineers, the lead on the Cost of Service Study Phase I and the calculation of the calendar year 2014 rates and charges. Mr. Grantham presented the processes his firm conducted for determining capacity charges and cost of service rates, and reviewed the key governing policies and preliminary initial ranges for the calendar year 2014 rates and charges.

Ms. McCraner closed the presentation with a review of the next steps in the process leading up to the adoption of the calendar year 2014 rates and charges and capacity charges at the June 27, 2013 Board meeting.

Ms. Stapleton invited Directors to ask questions during the discussion of the item, as well as throughout the entire rate setting and budget process. Ms. Stapleton stated Mr. Grantham and staff would be available if Directors wished to meet with them individually.

Vice Chair Wight reported the Fiscal Sustainability Board Task Force would look into methodology behind existing Board policy as part of their work.

Vice Chair Wight and Director Wilson requested the Cost of Service study be provided as soon as possible to allow for review and questions.

Directors Wilson, Lewinger, and Wornham asked questions. Vice Chair Wight, Ms. Stapleton, Ms. Kerl, and Mr. Grantham provided answers. Those questions that were not answered during the discussion were recorded to be researched and answered at a future date.

Director Barnum thanked Finance Department staff for their ongoing communications to the Board and retail agencies. He encouraged staff to communicate any potential issues that might impact retail customers and to expeditiously continue with their work.

Ms. Kerl thanked the member agencies for their patience in allowing time in the process to complete Phase I of the Cost of Service study. She stated preliminary high/low ranges had been provided to member agencies and final numbers would be provided during the first week of May.

III. INFORMATION

The following items were noted and filed:

1. Board of Director's first quarter 2013 expenses and attendance.
2. Controller's report on monthly financial statements.
3. Board Calendar.

IV. CLOSED SESSION

There were no closed session items.

V. ADJOURNMENT

There being no further business to come before the Administrative and Finance Committee, Vice Chair Wight adjourned the meeting at 9:45 a.m.

ENGINEERING AND OPERATIONS COMMITTEE

CALL TO ORDER / ROLL CALL

Chair Brady called the Engineering and Operations Committee meeting to order at 9:55 a.m. Committee members present were Chair Brady, Vice Chairs Miller and Pocklington, and Directors Barnum, Mudd*, Murtland, Simpson, Tu, Verbeke, and Wornham. Committee members absent were Directors Bailey, Morrison, Price, and Watkins. Also present were Directors Arant, Croucher, Dailey, Douglas, Hilliker, Hogan, Kern, Lewinger, Linden, Madaffer, Sanford, Saxod, Steiner, Topolovac, Watton, Weston, Williams, and Wilson. 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 was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Deputy General Counsel Gallien, Director of Engineering Rose, Director of Operations and Maintenance Eaton, Engineering Manager Reed, and Operations and Maintenance Manager Faber.

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

Chair Brady announced that the Engineering and Operations Committee held a Special Meeting on April 11, 2013 at which staff presented background information on the Lake Hodges and San Vicente Pipeline projects, followed by Closed Sessions regarding litigation on both projects. He also announced the annual E&O Tour was scheduled for the morning of September 30, 2013 and more details would be announced over the following months.

DIRECTORS' COMMENTS

There were no Directors' comments.

I. CONSENT CALENDAR

There were no Consent Calendar items.

II. ACTION/DISCUSSION

1. San Vicente Dam Raise project.

1-A Construction Update.

1-B Change Orders to Shimmick/Obayashi Joint Venture for the San Vicente Dam Raise Package 3 – Roller Compacted Concrete Dams and Appurtenant Facilities project.

Staff recommendation: Accept Shimmick/Obayashi Joint Venture Change Orders 38 through 40 for an increase of \$101,046; and authorize the General Manager to reduce the contract value by \$2,294,828 to reconcile final unit price quantities for roller compacted concrete and increase marina quarry unit price quantities, decreasing the authorized contract amount from \$141,116,106.70 to \$138,922,324.70.

Mr. Rose began the presentation with a brief background of the Emergency Storage Project of which the San Vicente Dam Raise project is a part. Mr. Reed continued with an update on construction of the San Vicente Dam Raise project including downstream step cleaning and repair, work to the gallery access building, the 108-in Butterfly Valve, schedule update, and future activities. He also presented information regarding the change orders for acceptance, authorizations for approval, and a construction contract summary.

Vice Chair Pocklington moved, Director Tu seconded, and the motion to approve staff's recommendation passed unanimously.

III. INFORMATION

1. Presentation on the status update of the Carlsbad Desalination project.

Deputy General Manager Belock gave a presentation on the Carlsbad Desalination project components: San Marcos Vent Modifications, Pipeline 3 Relining, Twin Oaks Valley

Water Treatment Plant Modifications, Conveyance Pipeline, and the Carlsbad Desalination plant. He also presented information regarding public outreach; the organizational chart for the project; and upcoming Board actions.

Staff was requested to provide an update at a later meeting regarding the status of alternative alignments to avoid placing the conveyance pipeline on the Cannon Road bridge.

- * Director Mudd arrived at approximately 10:24 a.m.
- 2. Presentation on the expansion of the Twin Oaks Valley Water Treatment Plant service area.

Mr. Eaton began the presentation on the Twin Oaks Valley Water Treatment Plant expanded service area including project objectives, components, and meter rescaling. Mr. Rose continued the presentation covering current pump station operations, expanded pump station operations, status of the project, schedule, budget, and future Board actions.

Staff was requested to provide an update to the Board regarding the return on investment for the second phase of the project.

- 3. Presentation on asset management/pipeline database.

Mr. Eaton provided a brief background of the database including the pipeline system, condition assessment, pipeline monitoring, and asset management. Mr. Faber continued the presentation on data management including industry-wide issues, amount and types of data, conditions assessment reports, and the benefits and value of the database.

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 Brady adjourned the meeting at 10:55 a.m.

IMPORTED WATER COMMITTEE **CALL TO ORDER / ROLL CALL**

Chair Saxod called the Imported Water Committee meeting to order at 11:05 a.m. Committee members present were Vice Chairs Muir and Williams, and Directors Arant, Croucher, Evans, Hogan, Lewinger, Linden, Pocklington, Steiner, Wilson, and Wornham. Directors Price and Watkins were absent. Also present were Directors Barnum, Brady, Dailey, Douglas, Hilliker, Kern, Madaffer, Miller, Mudd, Murtland, Sanford, Simpson, Topolovac, Tu, Verbeke, Watton, and Weston. 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 Belock and Kerl, Assistant General Manager Cushman, Director of MWD Program Chen, Colorado River Program Director Razak, and others.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

There were no public comments.

CHAIR'S REPORT

Chair Saxod reported that new Secretary of Interior, Sally Jewell had been sworn in and she would oversee issues related to the Colorado River and Central Valley Project, among other things. The first seven chapters of the Bay Delta Conservation Plan have been released, including a chapter on governance structure. Staff would continue to cover related issues in support of a sustainable Bay-Delta solution.

Chair Saxod reported that the Delta Stewardship Council approved final direction of the Delta Plan and was expected to adopt the final Delta Plan and certify environmental documents at its May 2013 Council meeting. Staff toured the Tijuana Aqueduct alongside other U.S. and Mexican officials. The focus was to determine feasibility of a potential turn-out for the All American Canal that would accommodate emergency deliveries to Mexico.

Chair Saxod announced that the Salton Sea stakeholders forum, hosted by Congressman Raul Ruiz of Coachella and Assistant to the Secretary of the Interior Anne Castle, would be held Friday, April 26, 2013 along the sea. A representative from Senator Barbara Boxer's office would also attend. The forum would focus on projects at the Sea, including a project to reintroduce water to exposed playa along the eastern shore at Red Hill Bay, and an update on the state's Species Conservation Habitat program. In addition, energy development at the sea and funding issues would be discussed. Staff would be attending this forum.

DIRECTORS' COMMENTS

Director Arant asked if Gerald Meral, California Natural Resources Agency Deputy Secretary, would be presenting at the next committee meeting on Bay Delta Conservation Plan process. Ms. Stapleton replied that staff would confirm date and time with Dr. Meral and place him on the May 23, 2013 Imported Water Committee agenda. She informed the board that the Committee would have numerous discussions and presentations on the Bay Delta over the following months.

I. CONSENT CALENDAR

There were no items on the consent calendar.

II. ACTION/DISCUSSION

1. Metropolitan Water District Issues and Activities update.
1-A Metropolitan Water District Delegates report.

The delegates reported on discussions and actions taken at the recent MWD board meetings.

- 1-B Metropolitan Water District's Unfunded Liabilities for Other Post-Employment Benefits and Pension.

Ms. Chen made a presentation on the MWD's unfunded liabilities for Other Post-Employment Benefits and Pension.

2. Colorado River Program.
2-A Colorado River Board representative's report.

Director Hogan reported on discussions at the April 2013 Colorado River Board meeting.

III. INFORMATION

1. Salton Sea update.

Principal Water Resources Specialist Denham provided an update on the Salton Sea, which included a brief background, recent activities of the QSA JPA, and an update on the status of state and federal efforts.

The following information item was noted and filed:

2. Metropolitan Water District Program report.

Mr. Hentschke took the Committee into closed session at 12:10 p.m.

IV. CLOSED SESSION

1. CLOSED SESSION:
Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
Name of Case: QSA Judicial Council Coordination Proceeding No. 4353

Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
Name of Case: State Water Resources Control Board (SWRCB) Imperial Irrigation District and San Diego County Water Authority Joint Petition for Modification of Revised Order WRO 2002-0013 (Permit 7643, Application 7482)
2. CLOSED SESSION:
Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
SDCWA v Metropolitan Water District of Southern California; Case Nos. CPF-10-510830 and CPF-12-512466

3. **CLOSED SESSION:**
Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(a) – SDCWA v City of Los Angeles Department of
Water and Power; Case No. BS136663

4. **CLOSED SESSION:**
Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(a) – SDCWA v Eastern Municipal Water District;
Riverside Superior Court Case No. RIC1300887

Mr. Hentschke brought the Committee out of Closed Session at 12:49 p.m. and reported that the Committee made a recommendation to the board to authorize General Counsel to amend the services agreement with Essential Discovery from a not-to-exceed amount of \$50,000 to a not-to-exceed amount of \$150,000. He stated this item would be on the consent calendar for the formal board meeting.

V. ADJOURNMENT

There being no further business to come before the Imported Water Committee, Chair Saxod adjourned the meeting at 12:49 p.m.

WATER PLANNING COMMITTEE **CALL TO ORDER/ROLL CALL**

Chair Douglas called the Water Planning Committee Meeting to order at 1:34 p.m. Committee members present were Chair Douglas, Vice Chairs Tu and Watton, and Directors Brady, Kern, Madaffer, Miller, Murtland, Sanford, Simpson, Steiner and Weston. Absent were Directors Linden and Saunders. Also present were Directors Arant, Barnum, Croucher, Dailey, Evans, Hilliker, Hogan, Lewinger, Mudd, Muir, Pocklington, Saxod, Topolovac, Verbeke, Wilson and Wornham. At that time, there was quorum of the Board.

Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Counsel Gallagher, Water Resources Director Weinberg, Water Resources Managers Purcell and Yamada, Principal Water Resources Specialist Chamberlain and Senior Water Resources Specialist Lopez.

PUBLIC COMMENT

There were no public comments.

DIRECTORS' COMMENTS

There were no comments made by Directors.

CHAIR'S REPORT

Chair Douglas advised there would be a special Water Planning Committee Meeting on Thursday, May 16, 2013 to learn more about the Facilities Master Plan update, as well as a

public scoping meeting on Monday, April 29, 2013 for receiving public comment on what issues should be considered in preparing the Master Plan environmental document.

I. CONSENT CALENDAR

There were no items for the Consent Calendar.

II. ACTION/DISCUSSION

1. Master Plan update.

Mr. Weinberg provided opening remarks on the two items being presented. He explained that the projects would be part of the Master Plan scope as the Board had directed staff in the past to examine these and evaluate them in the context of the overall system and Master Plan as long-term supply options at the feasibility level. He added that the May 16, 2013 Special Meeting would provide more information on how both would be evaluated in the Master Plan.

1-A. Report on the evaluation of a proposed Camp Pendleton Seawater Desalination Project.

Mr. Lopez provided a presentation on the evaluation of the proposed project, including background, technical studies, evaluations, analyses, two location options, and project cost summary.

Director Simpson thanked staff for their work, advised that the cost of pipe to a discharge site would still have to be included, added that permission for the project would also have to come from the Secretary of the Navy, and invited anyone interested in visiting Camp Pendleton to contact him. Director Weston suggested staff prepare a matrix with metrics, costs, and timing, of all the possible future projects being considered for the Master Plan.

Mr. Chamberlain provided a presentation on the Colorado River Conveyance Option, including background, alternative alignments, impact on operations, transportation cost comparisons and implementation schedule. He pointed out that staff would want the results of this study considered as part of the alternatives evaluated within the Master Plan.

Director Lewinger requested staff present costs escalated into the future and the present value of each alternative over project life. Director Arant raised the issue of the term of the existing Quantification Settlement Agreement as it related to the expected life of the project and the potential for a stranded asset. Director Mudd requested staff prepare a graphic that depicts various options overlaid with points of impact – similar to graphics used in the Carlsbad Desalination Project presentations – as well as cost offsets related to Pipeline 6 and the potential for stranded assets in any of the projects being considered. Director Pocklington inquired about costs and ‘breaking even’ as it would relate to MWD costs. Director Brady pointed out salinity levels and blending concerns as well as capacity rights in the All American Canal.

Director Tu inquired about the Master Plan schedule and what would be provided at the May 16, 2013 Special Meeting. Mr. Weinberg advised that staff would present a timeline, as

well as comments obtained from Directors at prior meetings, and through work with a Member Agency Technical Advisory Committee. He added there would be several more workshops held, leading to a preferred alternative to study in the Environmental Impact Report. Ms. Stapleton reiterated that, over the next several months, staff would bring manageable components of the Master Plan to the Board in Regular and Special meetings with the goal to have a Master Plan for Board consideration and adoption by the end of calendar year 2013.

III. INFORMATION

The following item was continued to the Water Planning Committee meeting scheduled for May 23, 2013:

1. Presentation on water supply and demand conditions.

The following report was received and filed:

2. Water Resources report.

IV. CLOSED SESSION

There were no Closed Session items.

V. ADJOURNMENT

Chair Douglas adjourned the meeting at 2:40 p.m.

LEGISLATION, CONSERVATION AND OUTREACH COMMITTEE CALL TO ORDER/ROLL CALL

Chair Topolovac called the Legislation, Conservation and Outreach Committee to order at 2:45 p.m. Committee members present were Chair Topolovac, Vice Chair Croucher, and Directors Barnum, Douglas, Evans, Hilliker, Kern, Mudd, Muir, Saxod, and Verbeke. Committee members absent were Vice Chair Madaffer, and Directors Dailey, Morrison and Wight. Other Board members present were Directors Arant, Brady, Hogan, Lewinger, Miller, Murtland, Pocklington, Price, Sanford, Simpson, Tu, Watton, Weston, Williams, Wilson 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.

Staff present were General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Director of Public Outreach and Conservation Foster, SCOOP Manager Yanushka, Public Affairs Representative Otero 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 Topolovac reminded board members of the Special Legislation, Conservation, and Outreach committee meeting on May 2, 2013 at The Water Conservation Garden. He mentioned the Legislative Roundtable with Congressman Scott Peters, which would be held on May 1, 2013. Chair Topolovac reported that Director Verbeke was now the ACWA Region 10 Chair and urged board members to encourage their agencies to participate in ACWA to ensure that San Diego would be well-represented.

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 on legislative issues, and stated that the policy committee hearings were currently under way. He announced the state had over collected approximately \$4 billion, and was beginning to address what to do with the excess revenue. He stated that more information would be available once the Governor's May revision was released.

Mr. Clay spoke regarding the budget subcommittee process and the potential use of money from the state for Salton Sea restoration efforts. He also reported on efforts to move the public drinking water program from the California Department of Public Health to the State Water Resources Control Board. It was reported that the sponsor bill AB 613 with Senator Hueso had been replaced with SB 322, and was set for hearing on May 1, 2013.

Mr. Clay stated nothing was expected to go forward in regards to the water bond until August 2013, or more likely, next year. He reported the Assembly would be amending three spot bills and turning them into different components of the bond, those three being safe drinking water, infrastructure and Delta watersheds.

Mr. Clay added that Senator Hueso was now on the Senate Natural Resources and Water Committee.

1-B Adopt priorities for the renegotiation of a water bond.

Staff recommendation: Adopt priorities for the renegotiation of a water bond.

Management Analyst Schnell presented on the water bond. She reported the content of the bond measure was expected to be changed later in the year, and that the bond was anticipated to be smaller and to provide less funding for surface storage. She then reviewed the staff recommended priorities for renegotiation of a water bond.

Chair Topolovac announced that the item would be continued to the May 23, 2013 board meeting to allow Board members to consult with directors at their local agencies.

1-C Adopt positions on various state bills.

Staff recommendation:

1. Adopt a position of Oppose Unless Amended on AB 380 (Dickinson)
2. Adopt a position of Oppose on AB 543 (Campos)
3. Adopt a position of Oppose on AB 823 (Eggman)
4. Adopt a position of Oppose on AB 953 (Ammiano)
5. Adopt a position of Oppose Unless Amended on SB436 (Jackson)
6. Adopt a position of Oppose on SB 617 (Evans)

Director Muir moved, and Director Croucher seconded, to adopt staff recommendation and the motion passed unanimously to adopt positions on various state bills.

III. INFORMATION

1. Demonstration of new WaterSmart Regional Water Conservation Website.

Public Affairs Representative Otero provided a demonstration of the new WaterSmart Regional Water Conservation Website. She described purpose and goals, content plan, and marketing tactics of the new WaterSmart conservation website. She also provided a brief preview of test pages from the WaterSmart site and announced the site would launch in May 2013.

2. Presentation on Small Contractor Outreach and Opportunities Program Quarterly Report.

SCOOP Manager Yanushka presented on history and highlights of the Small Contractor Outreach and Opportunities Program. She reported on the achievements of SCOOP and the activities that the program would focus on for the following year.

The committee received and filed the following items:

3. Government Relations update.
4. Status report on legislation and legislative positions.

IV. ADJOURNMENT

There being no further business to come before the Legislation, Conservation and Outreach Committee, Chair Topolovac adjourned the meeting at 3:15 p.m.

FORMAL BOARD OF DIRECTORS' MEETING OF APRIL 25, 2013

1. **CALL TO ORDER** Chair Wornham called the Formal Board of Directors' meeting to order at 3:30 p.m.
2. **SALUTE TO THE FLAG** Director Miller led the salute to the flag.
3. **ROLL CALL, DETERMINATION OF QUORUM**
Secretary Hogan called the roll. Directors present were Arant, Barnum, Croucher, Douglas, Evans, Hilliker, Hogan, Kern, Lewinger, Miller, Mudd, Muir, Murtland, Pocklington, Sanford, Saxod, Simpson, Steiner, Topolovac, Tu, Verbeke, Watton, Weston, Williams, Wornham, and Representative Roberts. Directors absent were Bailey, Brady, Dailey, Linden, Madaffer, Morrison, Price, Saunders, Watkins, Wight, and Wilson.

3-A **Report on proxies received.** Director Verbeke was the proxy for Director Linden, and Director Arant was the proxy for Director Watkins.
4. **ADDITIONS TO AGENDA** There were no additions to the agenda.
5. **APPROVAL OF MINUTES**
Director Muir moved, Director Lewinger seconded, and the motion carried at 90.34% of the vote to approve the minutes of the Special meeting of the Water Planning Committee on March 14, 2013, and the Formal Board of Directors' meeting of March 28, 2013.
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 Presentation of Science Fair award winners. 3:15 p.m. time certain.
 - 7-B **Retirement of Director.** Adopt Resolution 2013-11 honoring Dennis Lamb upon his retirement from the Board of Directors.
 - 7-C **Appointment of Director.** Betty Evans representing the Vallecitos Water District. Term expires March 13, 2016.

Chair Wornham announced that for the past 50 years the "Greater San Diego Science and Engineering Fair" has been honoring the County's best science projects, and for the last decade the Water Authority has shared the celebration by recognizing the finalists with water related projects. He introduced Education Resource Specialist Bohlander who then introduced the Science Fair award winners. Each winning student provided a brief description of their project.

Director Pocklington moved, Director Barnum seconded, and the motion carried at 90.34% of the vote to adopt Resolution No. 2013-11 honoring Dennis Lamb upon his retirement from the Board of Directors.

Chair Wornham announced the appointment of Director Evans and welcomed her to the Board.

8. **REPORTS BY CHAIRS**

8-A Chairs report: Chair Wornham thanked staff for a successful Board Retreat the week prior. He reported the Retreat had focused on where the Water Authority had been, what work was ahead, and the future vision of the organization. He thanked all board members who participated in the retreat and announced the Board would receive documents cataloging all the discussion and ideas from the retreat.

He reminded the Board of the Special Legislation, Conservation and Outreach meeting on Thursday, May 2, 2013.

Chair Wornham reported that he and General Manager Stapleton continue to provide presentations to Member Agencies, adding that in the previous month they had given presentations at Otay Water District and the City of Escondido.

He reported that he and many of the Board Members had attended the required harassment prevention training and thanked staff for making the training interesting.

Chair Wornham announced the retirement of Director Dailey and expressed his appreciation for her many years service to the Water Authority Board, the city of Escondido and to the San Diego Ratepayers.

8-B Report by Committee Chairs.

Administrative and Finance Committee. Director Arant reviewed the meeting and the action taken.

Engineering and Operations Committee. Director Pocklington reviewed the meeting and the action taken.

Imported Water Committee. Director Saxod reviewed the meeting and the action taken.

Water Planning Committee. Director Douglas reviewed the meeting and the action taken.

Legislation, Conservation and Outreach Committee. Director Topolovac reviewed the meeting and the action taken.

9. **CONSENT CALENDAR**

Director Tu moved, Director Hilliker seconded, and the motion carried at 90.34% of the vote to approve the consent calendar. Directors voting no or abstaining are listed under the item number.

9- 1. Treasurer's report.

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

9- 2. Selection of firms to renew the Water Authority's pre-qualified underwriting pool, the selection of a new liquidity facility to support the commercial paper program and the addition of a dealer to commercial paper program dealers.

The Board approved the recommended underwriter pool. The Board approved the selection of J.P. Morgan as the liquidity provider to replace Barclays Capital. The Board approved the addition of Morgan Stanley as a dealer for commercial paper program. The Board adopted **Resolution 2013-10** authorizing the issuance and sale of short-term revenue certificates and authorizing and approving certain actions in connection therewith.

9- 3. Change Orders to Shimmick/Obayashi Joint Venture for the San Vicente Dam Raise Package 3 – Roller Compacted Concrete Dams and Appurtenant Facilities project.

The Board accepted Shimmick/Obayashi Joint Venture Change Orders 38 through 40 for an increase of \$101,046; and authorized the General Manager to reduce the contract value by \$2,294,828 to reconcile final unit price quantities for roller compacted concrete and increase marina quarry unit price quantities, decreasing the authorized contract amount from \$141,116,106.70 to \$138,922,324.70.

9- 4. Adopt priorities for the renegotiation of a water bond.

This item was continued to the May 23, 2013 Board meeting.

9- 5. The Board Adopted positions on various state bills.

1. Adopted a position of Oppose Unless Amended on AB 380 (Dickinson)
2. Adopted a position of Oppose on AB 543 (Campos)
3. Adopted a position of Oppose on AB 823 (Eggman)
4. Adopted a position of Oppose on AB 953 (Ammiano)
5. Adopted a position of Oppose Unless Amended on SB 436 (Jackson)

Adopted a position of Oppose on SB 617 (Evans)

9- 6. CLOSED SESSION: The Board authorized the General Counsel to amend the services agreement with Essential Discovery from a not-to-exceed amount of \$50,000 to a not-to-exceed amount of \$150,000.

10. **ACTION/DISCUSSION**

There were no Action/Discussion items.

11. **CLOSED SESSION(S)**

11-A **CLOSED SESSIONS:**

Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)

Name of Case: QSA Judicial Council Coordination Proceeding No. 4353

Conference with Legal Counsel - Existing Litigation
Government Code §54956.9(d)(1)

Name of Case: State Water Resources Control Board (SWRCB)
Imperial Irrigation District and San Diego County Water Authority
Joint Petition for Modification of Revised Order WRO 2002-0013
(Permit 7643, Application 7482)

11-B **CLOSED SESSION:**

Conference with Legal Counsel - Existing Litigation
Government Code §54956.9(d)(1)

SDCWA v Metropolitan Water District of Southern California;
Case Nos. CPF-10-510830 and CPF-12-512466

11-C **CLOSED SESSION:**

Conference with Legal Counsel - Existing Litigation
Government Code §54956.9(d)(1) -

SDCWA v City of Los Angeles Department of Water and Power;
Case No. BS136663

11-D **CLOSED SESSION:**

Conference with Legal Counsel - Existing Litigation
Government Code §54956.9(d)(1) -

SDCWA v Eastern Municipal Water District;
Riverside Superior Court Case No. RIC1300887

Mr. Hentschke announced there was no need for a Closed Session.

12. **ACTION FOLLOWING CLOSED SESSION** – None.

13. **SPECIAL REPORTS**

- 13-A GENERAL MANAGER'S REPORT – Ms. Stapleton reminded the Board that there would be no Special Board Meeting on May 9, 2013 due to the ACWA Spring Conference, however there was a Special Water Planning Committee meeting scheduled for Thursday, May 16, 2013.
- 13-B GENERAL COUNSEL'S REPORT – Mr. Hentschke reminded the public that in keeping with open transparency all legal services expenditures are reported in written form every month within the Formal Board Packet.
- 13-C SANDAG REPORT – Director Barnum reviewed the SANDAG meeting of April 12, 2013.
SANDAG BORDERS/REGIONAL PLANNING COMMITTEE – No report was given.
- 13-D AB 1234 COMPLIANCE REPORTS – No reports were given.

14. **OTHER COMMUNICATIONS** - There were no other communications.

15. **ADJOURNMENT**

There being no further business to come before the Board, Chair Wornham adjourned the meeting at 3:55 p.m.

Thomas V. Wornham, Chair

Michael T. Hogan, Secretary

Doria F. Lore, Clerk of the Board