

**MINUTES OF THE FORMAL BOARD OF DIRECTORS' MEETING
JANUARY 23, 2014**

ADMINISTRATIVE AND FINANCE COMMITTEE

CALL TO ORDER / ROLL CALL

Chair Saunders called the Administrative and Finance Committee meeting to order at 9:00 a.m. Committee members present were Chair Saunders, Vice Chairs Arant and Wight*, Directors Gallo*, Hilliker, Hogan, Lewinger, Sanford, Topolovac, Watton, Weston, Williams, and Wilson. There were no Committee members absent. Also present were Directors Barnum, Croucher, Evans, Kern, Linden, Miller, Morrison, Olsen, Saxod, Simpson, Steiner, Verbeke, Watkins, 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 was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Director of Finance/Treasurer McCraner, Director of Water Resources Weinberg, Interim Director of Administrative Services Brown, and Financial Planning Manager Shank. Also present was Dr. Tom Chestnutt of A&N Technical Services, Robert Grantham of Carollo Engineers, and Doug Montague of Montague & DeRose.

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 Saunders announced the progress report on the Administrative and Finance Committee Goals for 2013 and 2014 was available in the Board packet, and he reviewed the goals that were completed during calendar year 2013.

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 Wilson moved, Vice Chair Arant seconded, and the motion passed unanimously to approve the Consent Calendar.

*Vice Chair Wight arrived at 9:05 a.m.

II. ACTION/DISCUSSION

1. Review the Fiscal Sustainability Task Force Recommendations to ensure the long-term fiscal sustainability of the Water Authority and the fair and proportionate recovery of long-term water supply and infrastructure investments.

Director Weston reviewed the members of the task force chaired by Director Wight: Directors Arant, Barnum, Croucher, Verbeke, Weston, and Wornham. The task force was supported by Dr. Tom Chestnutt of A&N Technical Services, Robert Grantham of Carollo Engineers, Doug Montague of Montague & DeRose; and Water Authority staff. Director Weston announced the task force had held 11 meetings since May 2013 and had provided an interim report to the Administrative and Finance committee at its November 2013 meeting.

Director Weston described rate and planning history, and outlined the task force's four recommendations for consideration and discussion by the board: 1) clarify the definition of fixed costs, 2) allocation of storage charge on a 10-year rolling average, 3) apply non-commodity revenue to treatment, and 4) establish a fixed supply reliability charge allocated to member agencies on a 10-year concurrent peak.

Ms. McCraner, Mr. Weinberg, Dr. Chestnutt, Mr. Carollo, and Mr. Grantham provided detailed information on the four recommendations.

Vice Chair Wight concluded the presentation by stating the four recommendations were a result of Phase I of the task force's work. She solicited suggestions from board members as to other items related to fiscal sustainability that they would like analyzed by the group during Phase II.

Task force members Arant, Verbeke, Barnum, Croucher, Weston and Wornham made comments related to the working methods and recommendations of the task force. Chair Saunders and Director Wornham thanked Vice Chair Wight for her leadership, as well as task force members and staff for all their hard work.

* Director Gallo arrived at 10:05 a.m.

Related to the second recommendation, Directors Croucher, Steiner, and Watton requested the recommendation of a 10-year rolling time frame for the allocation of storage charges be reconsidered, as it may discourage local supply development by the individual member agencies. Director Lewinger requested clarification on the Infrastructure Access Charge policy and the fixed O&M cost percentage that factors into the calculation of the IAC. Directors Steiner and Watton requested further evaluation on how fixed allocation costs were determined specifically related to the Imperial Irrigation District transfers and desalination.

III. INFORMATION

The following items were noted and filed:

1. Controller's report on monthly financial reports.
2. Board of Directors' Fourth Quarter 2013 expenses and attendance.
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, Chair Saunders adjourned the meeting at 10:55 a.m.

LEGISLATION, CONSERVATION AND OUTREACH COMMITTEE

CALL TO ORDER/ROLL CALL

Chair Topolovac called the Legislation, Conservation and Outreach Committee to order at 11:05 a.m. Committee members present were Chair Topolovac, Vice Chair Croucher, Directors Barnum, Evans*, Gallo, Hilliker, Kern, Saxod and Verbeke. Committee members absent were Vice Chair Madaffer, Directors Douglas, Morrison, Mudd, Muir and Wight. Other Board members present were Directors Arant, Hogan, Lewinger, Linden, Miller, Murtland, Olson, Sanford, Watkins, Watton, Weston, Williams, Wilson and Wornham. At that time, there was a quorum of the Committee.

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 and Government Relations Manager Farrel.

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 reported that the State Legislature had returned to work in Sacramento on January 6, 2014 for the second year of its two-year legislative session. He reported that on January 9, 2014 the Governor released his proposed State Budget for Fiscal Year 2014-2015, with a total proposed spending of approximately \$155 billion. He added that the Governor proposed spending \$2.1 billion from the General Fund for natural resources programs, which included the transfer of \$200 million and 291 positions from the Department of Public Health to the State Water Board to fully transfer the drinking water program, along with \$618.7 million in expenditures to implement the Governor's California Water Action Plan.

Chair Topolovac announced the state Department of Water Resources' Independent Technical Panel on Water Conservation Demand Management Measures comment period on the

ITP's Phase I draft report closed January 22, 2014 and there was a public workshop planned for February 7, 2014 in Sacramento. He thanked all the local agencies who submitted comments to DWR and encouraged them to stay involved in the process.

Chair Topolovac reported that staff would be participating in the "Water: In Search of Solutions" event on January 25, 2014 at the San Diego Natural History Museum. He stated that the Water Authority's annual report for FY 2012 "Water: Real Value", had won the Award of Excellence from the Pacific Plains region of the International Association of Business Communicators as part of the IABC's "Silver Quill" awards program and thanked staff who contributed to the report. This was the fourth straight year that the IABC had recognized the Water Authority with an award for the annual report.

DIRECTORS' COMMENTS

There were no comments made by Directors.

I. CONSENT CALENDAR

1. Application for grant funding under the Bureau of Reclamation WaterSMART Program: Water and Energy Efficiency Grants for FY 2014.
Staff recommendation: Adopt Resolution 2014-____ authorizing and directing the General Manager to apply for water and energy efficiency grant funding and to commit the Water Authority to the financial and legal obligations associated with the receipt of grant funds.

Director Kern moved, Director Barnum seconded, to adopt staff recommendation and the motion passed unanimously to adopt a Resolution authorizing and directing the General Manager to apply for water and energy efficiency grant funding and to commit the Water Authority to the financial and legal obligations associated with the receipt of grant funds.

II. ACTION/DISCUSSION

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

Mr. Carpi provided a Washington update and stated that the President had signed a \$1.1 trillion omnibus appropriations bill for FY 2014. He spoke regarding the federal legislative priority guidelines, stating that it provided them clear direction on what items to focus on in Washington, on behalf of the Water Authority.

Mr. Clay provided a Sacramento update stating that the Governor had released his budget and declared a drought emergency. Mr. Clay provided an update on the Water Bond and stated they were currently working on identifying sponsors for the Water Authority's two sponsor pieces of legislation regarding the Urban Water Management Plan.

Mr. Clay thanked the Water Authority for the 15 years of service he was able give and announced that the meeting would be his last Water Authority board meeting. Chair Topolovac thanked him for his service.

* Director Evans arrived at 11:15 a.m.

1-B Federal Legislative Priorities for 2014.

Mr. Farrel presented a brief overview of the Federal Legislative Priorities for 2014.

III. INFORMATION

1. Value of Water communications update.

Mr. Foster presented an update on the effort for the Value of Water communications.

The committee received and filed the following item:

2. Government Relations update.

IV. ADJOURNMENT

There being no further business to come before the Legislation, Conservation and Outreach Committee, Chair Topolovac adjourned the meeting at 11:43 a.m.

ENGINEERING AND OPERATIONS COMMITTEE

CALL TO ORDER / ROLL CALL

Vice Chair Miller called the Engineering and Operations Committee meeting to order at 11:51 a.m. Committee members present were Vice Chair Miller, Directors Barnum, Mudd*, Murtland, Olson, Simpson, Verbeke, Watkins, and Wornham. Members absent were Chair Brady, Vice Chair Pocklington, Directors Morrison, Tu, and Representative Roberts. Also present were Directors Arant, Douglas, Evans, Hilliker, Hogan, Lewinger, Linden, Sanford, Saunders, Saxod, Topolovac, Watton, Weston, 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, Deputy General Counsel Gallien, Director of Operations and Maintenance Eaton, Director of Engineering Rose, Director of Water Resources Weinberg, Engineering Manager Reed, Right of Way Manager Kross, Water Resources Manager Yamada, and Senior Construction Manager Griffis.

* Director Mudd arrived at 12:09 pm.

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

Vice Chair Miller announced that the progress report on Engineering and Operations Committee Goals for Calendar Years 2013 and 2014 was in the board packet. He reported the Hydro Power Task Force chaired by Director Hogan and comprised of himself and Directors Brady, Arant, Saunders, Williams, Wilson, and Watkins, had met for the first time on December 18, 2013. He reviewed the purpose of the group and the items discussed at the meeting. The second meeting of the Task Force was scheduled for January 24, 2014.

DIRECTORS' COMMENTS

There were no Directors' comments.

I. CONSENT CALENDAR

There were no items on the Consent calendar.

II. ACTION/DISCUSSION

Vice Chair Miller took the agenda items out of order and Action/Discussion item 2 was presented first.

2. Carlsbad Desalination Project.
2-A Presentation – Carlsbad Desalination Project update.

Mr. Belock gave a presentation on the Carlsbad Desalination Project including project elements and schedules, San Marcos Vent, Pipeline 3 Relining, Twin Oaks Valley Water Treatment Plant Modifications, Conveyance Pipeline progress to date, community outreach update, Macario Canyon Tunnel approval process, current work areas, Desalination Plant progress, contract administration memoranda, and overall project budget summary. He also presented a video of construction progress at the Desalination Plant site taken from a drone that was flown over the entire site.

1. San Vicente Dam Raise Project.
1-A Construction Update.

Mr. Reed gave a presentation on the San Vicente Dam Raise project consisting of an overview of the project to date, including rock for roller compacted concrete, batch plant, conveyor system, RCC mix and placement, current view of the dam, outlet tower, emergency release system, downstream control facility, plunger valve anchorage and fix, decommissioning the existing outlet works, and schedule status.

1-B Professional services contract with Parsons/Black and Veatch Joint Venture for the ESP – San Vicente Dam Raise and Carryover Storage project.

Staff recommendation: Approve Amendment 7 in the amount of \$1,044,465 to provide extended construction management, inspection, and materials testing services for the ESP – San Vicente Dam Raise and Carryover Storage project due to delayed construction contract completion, increasing the contract amount from \$35,024,284 to \$36,068,749.

Mr. Reed gave a presentation regarding a contract action for construction management services for the San Vicente Dam Raise project, including an overview of the contract, summary of services during peak work, summary of contract amendments, summary of work till May 2014 – Amendment 7, and cost recovery to date.

Director Verbeke moved, Director Murtland seconded, and the motion to approve staff's recommendation passed unanimously. Director Watkins was not present at the time of the vote.

At 12:27 p.m., the committee adjourned for lunch.

At 1:06 p.m. Vice Chair Miller reconvened the meeting of the Engineering and Operations Committee and Mr. Hentschke immediately took the committee into closed session.

IV. CLOSED SESSION

1-C CLOSED SESSION:
Conference with Legal Counsel – Anticipated Litigation
Government Code § 54956.9(d)(2) – One Case –
San Vicente Dam Raise Claims

Mr. Hentschke brought the committee out of closed session at 1:47 p.m. and stated there were no actions to report.

III. INFORMATION

There were no Information items.

V. ADJOURNMENT

There being no further business to come before the Engineering and Operations Committee, Vice Chair Miller adjourned the meeting at 1:48 p.m.

WATER PLANNING COMMITTEE
CALL TO ORDER/ROLL CALL

Chair Douglas called the Water Planning Committee Meeting to order at 1:50 p.m. Committee members present were Chair Douglas, Vice Chairs Tu and Watton, Directors Brady*, Kern, Linden, Miller, Murtland, Sanford*, Saunders, Simpson, Steiner*, and Weston. Director Madaffer was absent. Also present were Directors Arant, Croucher, Evans, Gallo, Hilliker,

Hogan, Lewinger, Muir, Olson, Saxod, Topolovac, Verbeke, Watkins, 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 was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Water Resources Director Weinberg, Acting Water Resources Manager Frieauf and Water Resources Specialist Dobalian.

PUBLIC COMMENT

There were no public comments.

CHAIR'S REPORT

Chair Douglas reported on highlights and significant accomplishments featured in the Progress Report on the Water Planning Committee Goals for 2013 and 2014. She also thanked Committee members and Directors for attending the January 9, 2014 public hearing on the Draft Supplemental Program Environmental Impact Report for the Facilities Master Plan and Climate Action Plan, adding that 27 Committee and Board members were present for the evening meeting, which included 12 public speakers. She added that staff would provide responses to all comments received by the Water Authority, both written and oral, in the final SPEIR document scheduled to be released in March 2014 along with the final Master Plan and final Climate Action Plan.

DIRECTORS' COMMENTS

There were no comments made by Directors.

I. CONSENT CALENDAR

There were no items for the Consent Calendar.

*Director Brady arrived at 1:55 p.m. and Director Steiner arrived at 2:00 p.m.

II. ACTION/DISCUSSION

1. Resolutions authorizing the General Manager to submit and administer applications for Proposition 50 Desalination Grant Funding.

Staff recommendations:

Adopt Resolution No. 2014-__ and Resolution No. 2014-__ establishing that:

- a) The General Manager is authorized to sign and file for, on behalf of the Water Authority, an application for funding from the California Department of Water Resources in an amount not to exceed \$3,000,000 for the Carlsbad Desalination Project – System Integration Facilities.
- b) The General Manager is authorized to sign and file for, on behalf of the Water Authority, an application for funding from the California Department of Water Resources in an amount not to exceed \$1,000,000 for a Pilot Plant Testing Program for the Proposed Camp Pendleton Seawater Desalination Project.

- c) The Water Authority will comply with all applicable state and federal statutory and regulatory requirements related to any federal and state funds received.
- d) The General Manager or designee is authorized to negotiate and execute a funding agreement and any amendments thereof, and certify funding disbursements on behalf of the Water Authority.

Director Tu moved and Director Kern seconded a motion to approve the staff recommendation. In discussion, Director Watton supported the applications for the funding but raised a concern on the applicability of a pilot plan so far in advance of probable construction with respect to changes over time in available technology. He added that the same concern would be included in comments from his water district on the draft Master Plan. Ms. Stapleton responded that while this action would authorize application for funding, decisions on proceeding would come later. The motion carried.

*Director Sanford arrived at 2:20 p.m.

III. INFORMATION

1. Water Supply and Demand Conditions.

Ms. Dobalian and Ms. Friehauf provided an expanded presentation with respect to Governor Brown's January 17, 2014 declaration of a state of emergency due to drought in California, adding that a more detailed report would be provided in February, 2014.

Staff responded to comments and questions posed by Directors. Director Mudd requested that in the future staff report on how the other basin states were dealing with the problem and provide information on best practices or best international thinking on reservoir evaporation. Director Lewinger suggested staff begin and share a visual track of Lake Oroville levels throughout this drought, as was done during the last drought. Director Croucher recommended the Water Authority's charts on supply diversity and sustainability be used as lead prompts in the discussion going forward.

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 2:26 p.m.

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

Chair Saxod called the Imported Water Committee meeting to order at 2:35 p.m. Committee members present were Chair Saxod, Vice Chairs Muir and Williams, Directors Arant, Croucher, Evans, Hilliker, Hogan, Lewinger, Linden, Olson, Steiner, Watkins, Wilson,

and Wornham. Director Pocklington and Roberts were absent. Also present were Directors Barnum, Brady, Douglas, Gallo, Kern, Madaffer, Miller, Mudd, Murtland, Sanford, Saunders, Simpson, Topolovac, Tu, Verbeke and Watton. 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 included General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Director of MWD Program Chen, Acting Colorado River Program Director Denham and Government Relations Manager Farrel.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

There were no public comments.

Chair Saxod announced the meeting would begin with the Closed Session items first.

Mr. Hentschke took the Committee into Closed Session at 2:37 p.m.

IV. CLOSED SESSION

1. 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

2. 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 3:10 p.m. and stated there was no reportable action.

CHAIR'S REPORT

Chair Saxod reported that Governor Brown had declared a drought emergency in California. She stated that while our region was in better shape than during the last drought, the Governor's proclamation underscores the need to continue the practice of smart water use.

Chair Saxod announced that staff would continue its assessment on the Bay Delta Conservation Plan (BDCP) and reminded Board members that a special board workshop would be held on February 13, 2014. She also pointed out the progress report on the Imported Water Committee's Goals for 2013 and 2014 and highlighted accomplishments by the committee.

DIRECTORS' COMMENTS

There were no comments by Directors.

I. CONSENT CALENDAR

There were no items on the consent calendar.

II. ACTION/DISCUSSION

1. Bay Delta.

1-A Bay-Delta Conservation Plan: Preliminary Assessment of Financing Risk Parameters.

Ms. Chen made a presentation on the preliminary financial assessment of the BDCP. Following her presentation, Directors asked questions and made comments.

2. Metropolitan Water District Issues and Activities update.

2-A Metropolitan Water District Delegates report.

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

3. Colorado River Program.

3-A Colorado River Board representative's report.

Director Hogan stated that the report was available in the supplemental materials packet.

III. INFORMATION

The following information item was noted and filed:

1. Metropolitan Water District Program report.

IV. ADJOURNMENT

There being no further business to come before the Imported Water Committee, Chair Saxod adjourned the meeting at 3:25 p.m.

FORMAL BOARD OF DIRECTORS' MEETING OF JANUARY 23, 2014

1. **CALL TO ORDER** Chair Wornham called the Formal Board of Directors' meeting to order at 3:27 p.m.

2. **SALUTE TO THE FLAG** Director Hilliker led the salute to the flag.

3. **ROLL CALL, DETERMINATION OF QUORUM**

Secretary Hogan called the roll. Directors present were Arant, Barnum, Brady, Croucher, Douglas, Evans, Gallo, Hilliker, Hogan, Kern, Lewinger, Linden, Miller, Mudd, Muir, Murtland, Olson, Sanford, Saunders, Saxod, Simpson, Steiner, Topolovac, Tu, Watkins, Watton, Weston, Williams, Wilson, and Wornham. Directors absent were Madaffer, Morrison, Pocklington, Verbeke, and Wight.

3-A **Report on proxies received.** There were no proxies.

4. **ADDITIONS TO AGENDA**

There were no additions to the agenda.

5. **APPROVAL OF MINUTES**

Director Mudd moved, Director Gallo seconded, and the motion carried at 97.07% of the vote to approve the minutes of the Special meeting of the Administrative and Finance Committee of November 14, 2013, the Special meeting of the Imported Water Committee of November 14, 2013, and the Formal Board of Directors' meeting of November 21, 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 City of Poway Overview – Leah Browder, Director of Public Works.

Leah Browder, Director of Public Works at City of Poway, began her presentation with an overview of the history of the City of Poway Public Works including population figures, service area boundaries, and a review of a variety of services provided to the public. She continued her presentation by providing information on operated facilities and locations, customer base, and water supply portfolio and future forecasts. Ms. Browder cited the top three issues ahead for the agency as being the issue of water supply diversification and reliability, managing the rising costs of water, and the realities associated with water use efficiency. She concluded her presentation by thanking the San Diego County Water Authority for the leadership and engagement provided on a variety of critical issues, as well as a commitment to finding solutions that look out for everybody and help all move together as a region.

7-B Reappointment of Director. Gary Arant representing Valley Center Municipal Water District. Term expires January 13, 2020.

Chair Wornham congratulated Director Arant on his reappointment, representing Valley Center Municipal Water District.

8. **REPORTS BY CHAIRS**

8-A Chairs report: Chair Wornham stated the Board Officers had participated in a media event on January 8, 2014 to mark the one-year construction anniversary for the Carlsbad Desalination Project and reported the media turnout and coverage was outstanding with more than two dozen news organizations attending or reporting on the event, including the U-T, KPBS, local TV news outlets, national news organizations such as the Associated Press and Reuters, and several international trade publications. He added that the event helped showcase the long-term value of the project and how it would

boost the region's water supply reliability. He thanked Poseidon Water and their project contractors, Carlsbad Mayor Matt Hall, and other local leaders.

Chair Wornham announced that he attended the Bond Buyer Magazine's Annual Awards Dinner on December 5, 2013, in New York City where the Carlsbad Desalination Project was awarded the Deal of the Year for the Far West Region for project financing

He also reported on a roundtable event he and Assistant General Manager Cushman participated in, organized by the San Diego Regional Economic Development Corporation, with the leaders of San Diego's manufacturing sector. He added that partnering with EDC was a very effective way to engage with a variety of industry clusters in San Diego County. He announced there would be several more similar events later in 2014.

Chair Wornham concluded his report by sharing results of the recent United Way Campaign. He announced that over \$29,000 was raised through auctions, food events, and employees pledging through payroll deductions. He also mentioned an event that was organized in which 30 employees participated by giving up a day of their weekend to work at Canine Companions in Oceanside where they laid tile, painted hallways, amongst other tasks. Canine Companions is an organization that provides over 250 highly trained assistance dogs annually to those who need them such as wounded warriors from Camp Pendleton.

8-B Report by Committee Chairs.

Administrative and Finance Committee. Director Saunders reviewed the meeting and the actions taken.

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

Engineering and Operations Committee. Director Miller reviewed the meeting and the actions taken.

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

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

9. **CONSENT CALENDAR**

Director Muir moved, Director Sanford seconded, and the motion carried at 97.07% 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. Application for grant funding under the Bureau of Reclamation WaterSMART Program: Water and Energy Efficiency Grants for FY 2014.
The Board adopted **Resolution 2014-01** authorizing and directing the General Manager to apply for water and energy efficiency grant funding and to commit the Water Authority to the financial and legal obligations associated with the receipt of grant funds.
- 9- 3. Professional services contract with Parsons/Black and Veatch Joint Venture for the ESP - San Vicente Dam Raise and Carryover Storage project.
The Board approved Amendment 7 in the amount of \$1,044,465 to provide extended construction management, inspection, and materials testing services for the ESP – San Vicente Dam Raise and Carryover Storage project due to delayed construction contract completion, increasing the contract amount from \$35,024,284 to \$36,068,749.
- 9- 4. Resolutions authorizing the General Manager to submit and administer applications for Proposition 50 Desalination Grant Funding.
The Board adopted **Resolution No. 2014-02** and **Resolution No. 2014-03** establishing that:
The General Manager is authorized to sign and file for, on behalf of the Water Authority, an application for funding from the California Department of Water Resources in an amount not to exceed \$3,000,000 for the Carlsbad Seawater Desalination System Integration Project – System Integration Facilities. The General Manager is authorized to sign and file for, on behalf of the Water Authority, an application for funding from the California Department of Water Resources in an amount not to exceed \$1,000,000 for a Pilot Plant Testing Program for the Proposed Camp Pendleton Seawater Desalination Project. The Water Authority will comply with all applicable state and federal statutory and regulatory requirements related to any federal and state funds received. The General Manager or designee is authorized to negotiate and execute a funding agreement and any amendments thereof, and certify funding disbursements on behalf of the Water Authority.

10. **ACTION/DISCUSSION**

11. **CLOSED SESSION(S)**

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

11-A **CLOSED SESSION:**

Conference with Legal Counsel – Anticipated Litigation
Government Code §54956.9(d)(2) – One Case – San Vicente Dam Raise Claims

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 Eastern Municipal Water District;
Riverside Superior Court Case No. RIC1300887
12. **ACTION FOLLOWING CLOSED SESSION**
Action following Closed Session, SDCWA v. MWD.
The Board authorized amendment to the agreement for trial graphic with The Focal Point, LLC for a total contract amount of \$200,000, including Phase 1 and Phase 2.
13. **SPECIAL REPORTS**
- 13-A GENERAL MANAGER'S REPORT – Ms. Stapleton informed the Board that the 2013 California Urban Water Agencies Report had been provided to them at their seats.
- 13-B GENERAL COUNSEL'S REPORT – No report was given, however, he did advise the Board that he had been appointed as Chair of the ACWA Legal Affairs Committee.
- 13-C SANDAG REPORT – No report was given.
SANDAG Subcommittee: 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**
The meeting was adjourned at 3:50 p.m.

Thomas V. Wornham, Chair

Michael T. Hogan, Secretary

Doria F. Lore, Clerk of the Board