

**MINUTES OF THE FORMAL BOARD OF DIRECTORS' MEETING
MAY 22, 2014**

ENGINEERING AND OPERATIONS COMMITTEE

CALL TO ORDER / ROLL CALL

Vice Chair Pocklington called the Engineering and Operations Committee meeting to order at 9:03 a.m. Committee members present were Vice Chair Pocklington, Directors Murtland, Olson, Razak*, Tu*, Watkins*, Verbeke, and Wornham. Vice Chair Pocklington appointed Directors Arant, Kern, and Weston to the Committee to obtain a quorum of the Committee. Members absent were Chair Brady, Vice Chair Miller, and Directors Barnum, Morrison, Mudd, Simpson, and Representative Roberts. Also present were Directors Evans, Hilliker, Hogan, Lewinger, Linden, Sanford, Saunders, Saxod, Topolovac, Watton, Wight, 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, Engineering Manager Bousquet, Water Resources Manager Yamada, Operations and Maintenance Manager Faber, Principal Engineer Rodgers, and Principal Construction Manager Kenny. Also present were guest speakers Vice President/Associate Vice President of Black and Veatch Corporation Kevin Davis and Clean Energy Capital Managing Director David Moore.

* Director Watkins arrived at 9:17 a.m. after the Consent Calendar vote; and Directors Razak (9:44 a.m.) and Tu (10:19 a.m.) arrived after all votes.

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 Pocklington announced that on May 8, 2014, The American Public Works Association, San Diego Chapter, presented Project of the Year award in the Utility category to the Pipeline 4 SR to Lake Murray Relining Project. He displayed the award and explained the project had faced many challenges, but in spite of these challenges was completed on time and within budget.

Mr. Eaton gave a presentation on the Water Authority's response to the San Diego fires on May 13-16, 2014 including activation of the new and improved Emergency Operation Center and the first time use of Google Earth to track the fire, traffic, and status of Water Authority vehicles and structures.

DIRECTORS' COMMENTS

There were no Directors' comments.

I. CONSENT CALENDAR

1. Professional services contracts for as-needed construction management and in-plant inspection support services.

Staff recommendation:

- a. Authorize the General Manager to award professional services contracts to Simon Wong Engineering for \$4 million, Richard Brady and Associates for \$2.5 million and Nolte Associates for \$2.5 million for as-needed construction management support services to support Capital Improvement Program and Asset Management projects for five years.

Director Arant moved, Director Murtland seconded, and the motion to pass the staff recommendation passed unanimously.

- b. Authorize the General Manager to award a professional services contract to On-Site Technical Services, for as-needed in-plant and field inspection support services to support Capital Improvement Program and Asset Management projects, for an amount not-to-exceed \$3 million for three years.

Director Arant moved, Director Wornham seconded, and the motion to pass the staff recommendation passed unanimously.

II. ACTION/DISCUSSION

1. Carlsbad Desalination Project.

1-A Presentation – Carlsbad Desalination Project update.

Mr. Belock gave a presentation including project elements/schedule, San Marcos Vent modifications, Pipeline 3 relining, Twin Oaks Valley Water Treatment Plant modifications, conveyance pipeline progress, Desalination Plant construction progress, contract administration memoranda, and budget summary. He indicated that staff was working with Poseidon Resources to initiate the process for modifying the seawater intake configuration due to the closing of the Encina Power Plant and that the Water Authority would be the lead agency on the CEQA document.

2. Amendment to professional services contract with Pure Technologies US Inc. to provide Welded Steel Pipeline Nondestructive Testing services on Pipeline 3 from the Delivery Point to the Twin Oaks Valley Water Treatment Plant.

Staff Recommendation:

Authorize the General Manager to award an amendment to the professional services contract with Pure Technologies US Inc. in the amount of \$1,077,000 to provide nondestructive testing services and condition assessment of Pipeline 3

from the Delivery Point to the Twin Oaks Valley Water Treatment Plant. This will increase the total contract amount to \$2,196,000.

Mr. Faber presented on Nondestructive Testing services including the Magnetic Flux Leakage tool, Pipeline 3 inspection limits, Pipeline 4 inspection results, and upgrades made by Pure Technologies US Inc. that would improve their services.

Director Wornham moved to approve the staff recommendation, Director Murtland seconded, and the motion passed unanimously.

III. INFORMATION

1. San Vicente Pumped Storage Study update.

Director Hogan provided an update from the Hydropower Task Force meeting on May 16, 2014. He noted that a subcommittee of the Hydropower Task Force, comprised of Directors Watkins and Williams, was formed to meet with Black & Veatch Corporation, Navigant Consulting, and Clean Energy Capital to more thoroughly review the financial analysis of the potential project and report back to the task force.

Kevin Davis, Vice President/Associate Vice President of Black and Veatch Corporation, reported on the technical feasibility of the project. David Moore, Clean Energy Capital Managing Director, presented key economic driver revenue assumptions, the Black & Veatch pro forma financial analysis summary, and development strategies. Mr. Davis continued with project sequence, near-term deliverables, and mid-term deliverables.

Mr. Belock reviewed regulatory activity and the Water Authority/City agreement. Director Hogan concluded the presentation with Hydropower Task Force's recommendations which are, in June 2014, to add the San Vicente Pumped Storage Study to the CIP and to approve \$1.2 Million in funding.

2. Lake Hodges Pumped Storage project budget.

Mr. Belock gave a presentation on the Lake Hodges Project including payback period history and factors, calculation of payback period, and estimated net project costs.

Directors Williams and Wight requested clarification on the return on investment calculation. Mr. Belock noted he would meet with them at a later date and provide more information.

IV. CLOSED SESSION

There were no Closed Session items.

V. ADJOURNMENT

There being no further business to come before the Engineering and Operations Committee, Vice Chair Pocklington adjourned the meeting at 10:22 a.m.

ADMINISTRATIVE AND FINANCE COMMITTEE
CALL TO ORDER / ROLL CALL

Chair Saunders called the Administrative and Finance Committee meeting to order at 10:30 a.m. Committee members present were Chair Saunders, Vice Chairs Arant and Wight, Directors Gallo*, Hilliker, Hogan, Lewinger, Razak, Sanford*, Topolovac, Watton, Weston, Williams, and Wilson. Also present were Directors Croucher, Evans, Kern, Linden, Madaffer, Muir, Murtland, Mudd, Olson, Pocklington, Saxod, Steiner, Tu, 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 members present were General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Director of Finance/Treasurer Harris, Director of Water Resources Weinberg, Interim Director of Administrative Services Brown, and Financial Planning Manager Shank. Also present was Robb Grantham of Carollo Engineers.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

There were members of the public who wished to speak regarding agenda Item II-1. Chair Saunders announced that speakers would have time allotted later in the meeting, during the discussion of the item.

CHAIR'S REPORT

Chair Saunders turned the time over to Ms. Stapleton who introduced and welcomed Lisa Marie Harris, the Water Authority's newly appointed Director of Finance/Treasurer.

Chair Saunders congratulated the Finance Department on their award of a Certificate of Excellence in Financial Reporting on the Fiscal Year Ending June 30, 2013 Comprehensive Annual Financial Report (CAFR). This was the 14th consecutive year the Water Authority had received the award. He gave special recognition to staff members Rod Greek, Ruwen Liu, Jocelyn Matsuo, Yollie Cerezo, Holly Judy, Patti Cirello, Melody Parker, and Angela Tomayko for their hard work in preparing the CAFR.

Chair Saunders announced the Water Authority had received the highest short term rating from all three credit rating agencies for the extendable commercial paper notes – Series 1. The ratings were: Fitch = F1+; Moody's = P-1; and Standard and Poor's = A-1+. The rating agencies also affirmed the Water Authority's long term ratings of AA+ and AA2 with a stable outlook. Ms. Kerl provided additional information regarding a Fitch news release.

DIRECTORS' COMMENTS

There were no Directors' comments.

*Director Sanford arrived at 10:45 a.m.

I. CONSENT CALENDAR

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

Director Wilson moved, Director Lewinger seconded, and the motion passed unanimously to approve the consent calendar.

II. ACTION/DISCUSSION

1. Resolution setting a Public Hearing date for the Water Authority's proposed calendar year 2015 Rate and Charge increases.
Staff recommendation:
 - (a) Provide direction regarding TSAWR for calendar year 2015 rates and charges;
 - (b) Adopt Resolution Number 2014-09 setting the time and place for a public hearing on June 26, 2014, at or after 9:00 a.m. or as soon thereafter as may practicably heard, during the Administrative and Finance Committee meeting, to receive comments regarding proposed rates and charges to be effective January 1, 2015.

Mr. Shank provided a presentation on the proposed Calendar Year 2015 rates and charges which included the following: rate and charge drivers and highlights; the proposed rates and charges; and the rate and charge calendar.

Mr. Grantham provided a presentation on the results of the San Diego County Water Authority Desalination Cost Allocation Cost of Service Rate Study conducted by Carollo Engineers.

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

Eric Larson and Julie Walker of the San Diego Farm Bureau, Neil Nagata of Nagata Brothers Farms, Charley Wolk of the California Avocado Commission, and Chuck Badger of R.E. Badger & Son addressed the committee stating their support of the continuation of the Transitional Special Agricultural Water Rate program.

There was lengthy discussion in which Directors made statements and asked questions.

Director Williams moved, Director Watton seconded, to adopt Option #2B to include the continuation of the Transitional Special Agricultural Rate program through Calendar Year 2015 Rate Stabilization Fund support of \$7.1 million. The reduction in the Rate Stabilization Fund support mitigates the impact of the Transitional Special Agricultural Water Rate program on the Calendar Year 2015 Melded Supply Rate. The motion passed unanimously to adopt Option #2B as contained in the Board Memo.

Resolution setting a Public Hearing date for the Water Authority's proposed calendar year 2015 Rate and Charge increases.
Adopt Option #2B: Includes the continuation of the Transitional Special Agricultural Water Rate program through Calendar Year 2015 with a reduction in

the Calendar Year 2015 Rate Stabilization Fund support of \$7.1 million. The reduction in the Rate Stabilization Fund support mitigates the impact of the Transitional Special Agricultural Water Rate program on the Calendar Year 2015 Melded Supply Rate.

Adopt Resolution Number 2014- setting the time and place for a public hearing on June 26, 2014, at or after 9:00 a.m., or as soon thereafter as may practicably be heard, during the Administrative and Finance Committee meeting, to receive comments regarding proposed rates and charges to be effective January 1, 2015.

Director Wilson moved, Vice Chair Wight seconded, to adopt the revised recommendation. The motion passed unanimously.

III. INFORMATION

The following items were noted and filed:

1. Controller's report on monthly financial reports.
2. 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 12:40 p.m.

WATER PLANNING COMMITTEE

CALL TO ORDER/ROLL CALL

Chair Tu called the Water Planning Committee Meeting to order at 11:50 a.m. Committee members present were Chair Tu, Vice Chairs Linden and Watton, Directors Kern, Murland, Sanford, Saunders, Steiner and Weston. Directors Brady, Madaffer, Miller and Simpson were absent. Also present were Directors Arant, Evans, Gallo, Hilliker, Hogan, Lewinger, Morrison, Mudd, Muir, Olson, Pocklington, Razak, 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, Water Resources Managers Purcell and Roy, Acting Water Resources Manager Friehauf, Senior Water Resources Specialist Tegio and Water Resources Specialist Dobalian.

PUBLIC COMMENT

There were no requests for public comment received.

CHAIR'S REPORT

Chair Tu reviewed the agenda and thanked Director Razak for information shared on the Pure Water San Diego Project. Chair Tu advised the Committee that a request to approve an Integrated Regional Water Management Grant application for Proposition 84 funding for drought relief on behalf of a number of public agencies and non-governmental organizations would be presented at the June 26, 2014 meeting. . She concluded with comments related to water use in firefighting and added that health and safety would remain the highest priority for water availability.

DIRECTORS' COMMENTS

There were no comments made by Directors.

I. CONSENT CALENDAR

1. Resolution for the Final Mitigated Negative Declaration for the Pipelines 3, 4 and 5 Relining at San Luis Rey River; adopting a Mitigation Monitoring and Reporting Program; approving the project; and authorizing Filing of a Notice of Determination.
Staff recommendation:
Adopt Resolution No. 2014-____ that:
 - a) Finds that the project will not have a significant effect on the environment;
 - b) Adopts the Final Mitigated Negative Declaration;
 - c) Adopts the Mitigation Monitoring and Reporting Program;
 - d) Approves the Project; and
 - e) Authorizes filing a Notice of Determination.

2. Second Amendment to extend the 2003 Agreement for Emergency Delivery of a Portion of the Mexican Treaty Waters to Tijuana for an additional five-year period.
Staff recommendation: Authorize the General Manager to enter into a Second Amendment to the Agreement for Temporary Emergency Delivery of a Portion of the Mexican Treaty Waters of the Colorado River to the International Boundary in the Vicinity of Tijuana, Baja California, Mexico, and for Operation of Facilities in the United States in a form approved by General Counsel.

Director Steiner moved, Vice Chair Linden seconded, and the motion to approve staff recommendation was approved.

II. ACTION/DISCUSSION

1. Potable Reuse.
 - 1-A Report on potable reuse and consideration of approval of a resolution supporting the city of San Diego's Pure Water San Diego program.
Staff recommendation: Approve Resolution No. 2014-____ supporting the "Pure Water San Diego" program by the city of San Diego.

 - 1-B City of San Diego Potable Reuse presentation.

Mr. Weinberg framed the discussion on Potable Reuse with an overview of the information to be presented. Ms. Roy provided a report on the history of potable reuse in San Diego County and Southern California, including potable, non-potable, and incidental reuse; current perspectives on potable reuse; stakeholder involvement; Water Authority-sponsored research and legislation; member agency projects; the WateReuse Foundation Direct Potable Reuse Initiative; and future Water Authority activities in support of Potable Reuse.

Director Razak presented detailed information on the Pure Water San Diego Project, an integrated water and wastewater project designed to provide one-third of the city's water supply by 2035.

Director Weston moved, Vice Chair Watton seconded, and the motion to approve staff recommendation was approved.

2. Resolution establishing preliminary informal terms and conditions for the Rainbow Municipal Water District's proposed Campus Park West Annexation.
Staff recommendation: Adopt Resolution No. 2014-____, establishing preliminary informal terms and conditions for the Rainbow Municipal Water District's proposed Campus Park West Annexation, and requesting that Metropolitan Water District of Southern California grant conditional approval and give notice of intent to impose water standby charges.

Ms. Friehauf presented information on the geography of the proposed annexation and explained how the Board-adopted annexation policies and procedures would apply to the proposed annexation.

Vice Chair Linden moved, Director Sanford seconded, and the motion to approve staff recommendation was approved.

III. INFORMATION

1. Integrated Regional Water Management Planning for the San Dieguito Watershed and Hodges Reservoir.

Ms. Roy presented on the San Dieguito Watershed and water quality problems in Lake Hodges Reservoir. She also discussed an IRWM solution to the problem with a partnership of the Santa Fe Irrigation District, the city of San Diego, the county of San Diego, the San Diego River Valley Conservancy and the Water Authority in which Proposition 50 funding would provide a watershed-based land-management solution and Proposition 84 funding would provide cost-effective oxygenation as well as funding for data management.

2. Water supply and demand conditions.

Ms. Dobalian reported on water supply conditions, noting that November 2013 through April 2014 would be recorded as the hottest six months on record in the state of California for the past 119 years and that the final snowpack survey for California would be at only 18% of average. Her

presentation included information on the Metropolitan Water District Supply and Demand Balance and Storage Reserves; potable water use in the region; average daily maximum temperature at Lindbergh Field and the outlook of higher than average temperatures and the potential of an El Niño weather event.

The following report was received and filed:

3. Water Resources report.

Chair Tu called for a recess of the Committee at 12:53 p.m.

IV. CLOSED SESSION

1. CLOSED SESSION:
Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
San Diego Coastkeeper v SDCWA;
San Diego Superior Court Case Nos. 37-2014-00013216-CU-JR-CTL

At 1:35 p.m., Chair Tu reconvened the Committee to go into Closed Session with Legal Counsel. Mr. Hentschke brought the Committee out of Closed Session at 1:53 p.m. and reported that the Committee unanimously authorized the defense of the Coastkeeper lawsuit and ratified the legal services agreement with Allen, Matkins, Leck, Gamble, Mallory & Natsis.

V. ADJOURNMENT

Chair Tu adjourned the meeting at 1:54 p.m.

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

Chair Saxod called the Imported Water Committee meeting to order at 1:38 p.m. Committee members present were Chair Saxod, Vice Chairs Muir and Williams, Directors Arant, Croucher, Evans, Hogan, Lewinger, Linden, Olson, Pocklington, Steiner, Watkins, Wilson, and Wornham. Director Roberts was absent. Also present were Directors Gallo, Hilliker, Kern, Morrison, Mudd, Murtland, Razak, Saunders, Topolovac, Tu, Verbeke, Watton, and Weston. 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, Colorado River Program Director Denham, Water Resources Manager Purcell, and others.

The agenda was taken out of order and Mr. Hentschke took the Committee into Closed Session at 1:38 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
Government Code §54956.9(d)(4) – MWD Rates and Charges

Mr. Hentschke brought the Committee out of Closed Session at 1:53 p.m. and stated there was no reportable action.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

There were no public comments.

CHAIR'S REPORT

Chair Saxod reported that on Monday, May 19, 2014 the 9th U.S. Circuit Court of Appeals rejected a legal challenge to the Secretary of the Interior's approval of the Colorado River Water Delivery Agreement, one of the QSA agreements. It was the second federal court decision rejecting challenges to components of the QSA. Previously in 2007, the federal court rejected environmental challenges to the All American Canal Lining Project.

DIRECTORS' COMMENTS

There were no comments by Directors.

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 the discussions and actions taken at the recent MWD Board meetings.

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

Director Wilson reported on the discussions at the May Colorado River Board meeting.

III. INFORMATION

1. Draft comment letter on the Bay Delta Conservation Plan Draft EIR/EIS.

Mr. Purcell provided a brief presentation on the comment letter prepared for the Bay Delta Conservation Plan (BDCP) draft EIR/EIS documents, which reflect the issues and

questions raised in the draft staff review and Board discussion of the BDCP. Following the presentation, Directors asked questions and made comments.

Director Steiner made a request to place an action item expressing support for the completion of BDCP environmental review process on the June 26 agenda.

The following information item was noted and filed:

2. 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 2:15 p.m.

LEGISLATION, CONSERVATION AND OUTREACH COMMITTEE

CALL TO ORDER/ROLL CALL

Chair Croucher called the Legislation, Conservation and Outreach Committee to order at 2:20 p.m. Committee members present were Chair Croucher, Vice Chairs Madaffer and Topolovac, Directors Evans, Gallo, Hilliker, Kern, Morrison, Mudd, Muir, Saxod, and Verbeke. Committee members absent were Directors Barnum and Wight. Other Board members present were Directors Arant, Hogan, Lewinger, Linden, Murtland, Olson, Pocklington, Razak, Roberts, Sanford, Steiner, Tu, Watkins, 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, Government Relations Manager Farrel and Public Affairs Senior Manager Vedder. Also present were legislative representatives Ken Carpi and Steve Cruz.

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 Croucher announced that Assembly member Toni Atkins was sworn in as the first San Diegan to ever be elected as Assembly Speaker. He reported that he and a delegation of Water Authority Board members would be visiting Sacramento on June 18, 2014 to meet with members of the San Diego legislative delegation and other key legislators and officials. They would be sharing the Water Authority's perspective on several issues and would report back with results of the trip at the June 26, 2014 Legislation Conservation and Outreach Committee meeting.

He stated that the Water Authority had received a national “Bronze Anvil” award from the Public Relations Society of America for the 2012 Annual Report. He added that the Water Authority would once again partner with the San Diego Horticultural Society to showcase a water-efficient landscape exhibit at the San Diego County Fair’s Flower and Garden Show. He also announced the next SCOOP Committee meeting would be held June 3, 2014 at 9:30 a.m.

DIRECTORS’ COMMENTS

There were no comments made by Directors.

I. CONSENT CALENDAR

There were no items on the consent calendar.

II. ACTION/DISCUSSION

1. Legislative Issues.

- 1-A Report by Carpi, Clay & Smith.
Washington report by Ken Carpi.

Mr. Carpi provided a Washington update, including an update on Senator Feinstein’s drought-response bill (S. 2198), stating there were 35 environmental organizations that came out in opposition. He reported that the House and Senate approved the conference report for the Water Resources Reform and Development Act (WRRDA) authorizing a bill for the Army Corps of Engineers that would establish the Water Infrastructure Finance and Innovation Act (WIFIA) as a five-year pilot program.

- 1-B Gonzalez, Quintana & Hunter.
Sacramento report by Steve Cruz.

Mr. Cruz provided a Sacramento update and stated that budget subcommittees were meeting daily to meet the budget deadline of June 15, 2014. He reported on the current water bond bills and stated they were down to five options. He provided an update on sponsored bill AB 1874, meant to streamline the state’s administration of the Integrated Regional Water Management Program (IRWMP), and AB 2067, which would simplify and update the reporting requirements for demand management measures in urban water management plans.

1-C Adopt positions on various state bills. **Staff recommendation:**

1. Adopt a position of Oppose Unless Amended on AB 1434 (Yamada).
2. Adopt a position of Oppose Unless Amended on AB 1705 (Williams).

Director Madaffer moved, Director Kern seconded, to adopt staff recommendation and the motion passed unanimously to adopt a position of Oppose Unless Amended on AB 1434 (Yamada) and AB 1705 (Williams).

3. Adopt a position of Support if Amended on SB 1139 (Hueso).

Director Madaffer moved, Director Kern seconded, to adopt staff recommendation and the motion passed eight to three to adopt a position of Support if Amended on SB 1139 (Hueso), opposed by Directors Gallo, Hilliker and Muir.

2. Approve Expanded Water Authority Community Outreach, Civic Engagement and Governmental Relations Plan.

Staff recommendation: To authorize the General Manager to re-allocate resources and transfer operating funds to MWD Program and Public Outreach and Conservation budgets to support achievement of the agency's strategic business plan objectives through enhanced civic engagement and outreach.

Ms. Vedder presented a summary of proposed expanded outreach efforts with an increase in civic engagement.

Director Mudd moved, Director Madaffer seconded, to adopt staff recommendation and the motion passed to authorize the General Manager to re-allocate resources and transfer operating funds to MWD Program and Public Outreach and Conservation budgets to support achievement of the agency's strategic business plan objectives through enhanced civic engagement and outreach. Opposed by Vice Chair Topolovac.

III. INFORMATION

1. Drought response communications and outreach update.

Mr. Foster provided an update on the drought response communications and outreach efforts and highlighted recent activities of the "When in Drought" campaign. The campaign launch media event was held on April 29, 2014 at the San Vicente Dam Raise site. He reported on continued coordination with member agencies, and the launch of advertising efforts on local radio and online news sites. He reported that television partnerships would begin mid-June of 2014. He also reported that partnership activities to help expand outreach were being further examined. He explained one partnership with the San Diego County Regional Airport Authority in which advertising panels were installed in Terminal 1 and Terminal 2 at no cost to the Water Authority. He concluded his presentation with a review of outreach activities planned for June, 2014.

2. Quarterly Water Conservation Garden report.

Director Linden reported that more than 5,000 visitors had attended the opening of the Butterfly Pavilion at the Conservation Garden. He also reported that the Garden had received two grants, one for \$73,000 for the Ms. Smarty Plants Program, and \$15,000 from the County of San Diego to install turnstiles at the garden.

The committee received and filed the following items:

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

IV. ADJOURNMENT

There being no further business to come before the Legislation, Conservation and Outreach Committee, Chair Croucher adjourned the meeting at 3:32 p.m.

FORMAL BOARD OF DIRECTORS' MEETING OF MAY 22, 2014

1. **CALL TO ORDER** Chair Wornham called the Formal Board of Directors' meeting to order at 3:40 p.m.

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

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

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

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 Lewinger moved, Director Mudd seconded, and the motion carried at 94.48% of the vote to approve the minutes of the Special meeting of the Engineering and Operations Committee of April 10, 2014 and the Formal Board of Directors' meeting of April 24, 2014.

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 Padre Dam Municipal Water District Overview – Allen Carlisle, General Manager.

Chair Wornham introduced Mr. Allen Carlisle, Padre Dam Municipal Water District General Manager. Mr. Carlisle provided a presentation on Padre Dam MWD including a brief history of the district, service boundaries and demands, customer base, and operated facilities and storage. He concluded his presentation with a review of the issues and challenges facing the district, including staff reductions and the impact of rising water rates.

- 7-B **Reappointment of Director.** Reappointment of Keith Lewinger, Carlsbad Municipal Water District. Term expires June 16, 2020.

- 7-C Recognition of Vivien Quiros, Human Resources Assistant, Employee of the 3rd Quarter.

Chair Wornham announced the reappointment of Director Lewinger, representing Carlsbad Municipal Water District, and introduced to the Board Vivien Quiros, employee of the 3rd Quarter.

8. **REPORTS BY CHAIRS**

8-A Chairs report: Chair Wornham reported on his attendance at the swearing in of Toni Atkins as the Speaker of the California State Assembly in Sacramento, where he also met with incoming Senator President Pro Tem Kevin de Leon. He stated that he and Director Madaffer spent an additional two days in Sacramento with the San Diego legislative delegation working on advancing our regional water message. He also announced another upcoming trip to Sacramento on June 18, 2014 with the Board Officers, LCO Chair and Vice Chairs, and MWD Delegate Steiner.

Chair Wornham reminded the Board that the annual performance evaluations were due again for General Counsel Hentschke and General Manager Stapleton. He added that evaluation forms had been sent to all Board Members and they needed to be completed and returned to the Clerk's Office no later than June 26, 2014.

He reminded the Board of the upcoming San Vicente Dedication on July 16, 2014 and stated more information would be provided at a later date.

8-B Report by Committee Chairs.

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

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

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

Imported Water Committee. Director Saxod stated there was no reportable action.

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

9. **CONSENT CALENDAR**

Director Pocklington moved, Director Kern seconded, and the motion carried at 94.48% of the vote to approve the consent calendar. Directors voting no or abstaining are listed under the item number.

- 9- 1. Professional services contracts for as-needed construction management and in-plant inspection support services.

The Board authorized the General Manager to award professional services contracts to

Simon Wong Engineering for \$4 million, Richard Brady and Associates for \$2.5 million and Nolte Associates for \$2.5 million for as-needed construction management support services to support Capital Improvement Program and Asset Management projects for five years. The Board authorized the General Manager to award a professional services contract to On-Site Technical Services, for as-needed in-plant and field inspection support services to support Capital Improvement Program and Asset Management projects, for an amount not-to-exceed \$3 million, for three years.

- 9- 2. Amendment to professional services contract with Pure Technologies US Inc. to provide Welded Steel Pipeline Nondestructive Testing services on Pipeline 3 from the Delivery Point to the Twin Oaks Valley Water Treatment Plant.

The Board authorized the General Manager to award an amendment to the professional services contract with Pure Technologies US Inc. in the amount of \$1,077,000 to provide nondestructive testing services and condition assessment of Pipeline 3 from the Delivery Point to the Twin Oaks Valley Water Treatment Plant. This will increase the total contract amount to \$2,196,000.

- 9- 3. Treasurer's report.

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

- 9- 4. Resolution setting a Public Hearing date for the Water Authority's proposed calendar year 2015 Rate and Charge increases.

The Board adopted Option #2B: Includes the continuation of the Transitional Special Agricultural Water Rate program through Calendar Year 2015 with a reduction in the Calendar Year 2015 Rate Stabilization Fund support of \$7.1 million. The reduction in the Rate Stabilization Fund support mitigates the impact of the Transitional Special Agricultural Water Rate program on the Calendar Year 2015 Melded Supply Rate. The Board adopted **Resolution No. 2014-09** setting the time and place for a public hearing on June 26, 2014, at or after 9:00 a.m., or as soon thereafter as may practicably be heard, during the Administrative and Finance Committee meeting, to receive comments regarding proposed rates and charges to be effective January 1, 2015

- 9- 5. Resolution for the Final Mitigated Negative Declaration for the Pipelines 3, 4 and 5 Relining at San Luis Rey River; adopting a Mitigation Monitoring and Reporting Program; approving the project; and authorizing Filing of a Notice of Determination.

The Board adopted **Resolution No. 2014-10** that: Finds that the project will not have a significant effect on the environment. Adopts the Final Mitigated Negative Declaration. Adopts the Mitigation Monitoring and Reporting Program. Approves the Project. Authorizes filing a Notice of Determination.

- 9- 6. Authorize General Manager to enter into a Second Amendment that would extend the 2003 Agreement for Emergency Delivery of a Portion of the Mexican Treaty Waters to Tijuana for an additional five-year period.

The Board authorized the General Manager to enter into a second amendment to the Agreement for Temporary Emergency Delivery of a Portion of the Mexican Treaty

Waters of the Colorado River to the International Boundary in the Vicinity of Tijuana, Baja California, Mexico, and for Operation of Facilities in the United States in a form approved by General Counsel.

- 9- 7. Report on potable reuse and consideration of approval of a resolution supporting the city of San Diego's Pure Water San Diego program.

The Board approved **Resolution No. 2014-11** supporting the "Pure Water San Diego" program sponsored by the city of San Diego.

- 9- 8. Resolution establishing preliminary informal terms and conditions for the Rainbow Municipal Water District's proposed Campus Park West Annexation.

The Board adopted **Resolution No. 2014-12** establishing preliminary informal terms and conditions for the Rainbow Municipal Water District's proposed Campus Park West Annexation, and requesting that Metropolitan Water District of Southern California grant conditional approval and give notice of intent to impose water standby charges.

- 9- 9. The Board adopted positions on various state bills.

1. Adopted a position of Oppose Unless Amended on AB 1434 (Yamada)
2. Adopted a position of Oppose Unless Amended on AB 1705 (Williams)
3. Adopted a position of Support if Amended on SB 1139 (Hueso)

Directors Hilliker, Muir, and Williams opposed item 9- 9.

- 9-10. Approve Expanded Water Authority Community Outreach, Civic Engagement and Governmental Relations Plan.

The Board authorized the General Manager to re-allocate resources and transfer operating funds to MWD Program and Public Outreach and Conservation budgets to support achievement of the agency's strategic business plan objectives through enhanced civic engagement and outreach.

Director Topolovac opposed item 9-10.

- 9-11. Action following Closed Session: San Diego Coastkeeper v SDCWA San Diego Superior Court Case Nos. 37-2014-00013216-CU-JR-CTL.

The Board authorized defense of the suit and ratify the legal services agreement between the Water Authority and Allen Matkins Leck Gamble Mallory & Natsis.

10. **ACTION/DISCUSSION**

There were no action items.

11. **CLOSED SESSION(S)**

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

- 11-A **CLOSED SESSION:**
Conference with Legal Counsel - Existing Litigation
Government Code §54956.9(d)(1)
San Diego Coastkeeper v SDCWA;
San Diego Superior Court Case Nos. 37-2014-00013216-CU-JR-CTL
- 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
Government Code §54956.9(d)(4) - MWD Rates and Charges
12. **ACTION FOLLOWING CLOSED SESSION** – None.
13. **SPECIAL REPORTS**
- 13-A GENERAL MANAGER’S REPORT – No report was given.
- 13-B GENERAL COUNSEL’S REPORT – Mr. Hentschke provided the Board with a summary of Water Authority litigation and results, including both initiated litigation and participated litigation.
- 13-C SANDAG REPORT – Chair Wornham stated the Bike to Work Day had been postponed due to the San Diego fires.
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 4:10 p.m.

Thomas V. Wornham, Chair

Michael T. Hogan, Secretary

Doria F. Lore, Clerk of the Board