

**MINUTES OF THE FORMAL BOARD OF DIRECTORS' MEETING
MAY 24, 2018**

**ADMINISTRATIVE AND FINANCE COMMITTEE
CALL TO ORDER / ROLL CALL**

Chair Saxod called the Administrative and Finance Committee meeting to order at 9:00 a.m. Committee members present were Chair Saxod, Vice Chairs Wilson and Arant, and Directors Ayala, Cherashore*, Gallo, Guerin, Hall, Hedberg, Heinrichs, and Murtland. Committee members absent were Directors Croucher, Simpson and Watkins. Also present were Directors Barnum, Bebee, Boyle, Butkiewicz, Cate, Evans, Fong-Sakai, Hilliker, Hogan, Katz Lewinger, Madaffer, Smith, Steiner, 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 was General Manager Stapleton, General Counsel Hattam, Deputy General Manager Kerl, Assistant General Managers Cushman and Denham, Director of Finance/Treasurer Harris, Director of Administrative Services Foster, Director of Water Resources Yamada, Controller Woidzik, Budget and Analysis Manager Whyte, Rate and Debt Manager Williams, and Senior Engineering Manager Bousquet.

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 Saxod announced that on April 24, 2018, the Government Finance Officers Association awarded a Certificate of Achievement for Excellence in Financial Reporting to the Water Authority for its CAFR for the fiscal year ended June 30, 2017. This is the 18th consecutive year that the Water Authority has received this prestigious award.

DIRECTORS' COMMENTS

There were no Directors' comments.

I. CONSENT CALENDAR

1. April Monthly Treasurer's Report on Investments and Cash Flow.
Staff recommendation: Note and file the April Treasurer's report.
2. May Monthly Treasurer's Report on Investments and Cash Flow.
Staff recommendation: Note and file the May Treasurer's report.

Director Heinrichs moved, Director Ayala seconded, and the motion to approve staffs' recommendations passed unanimously.

II. ACTION/DISCUSSION/PRESENTATION

1. Resolution setting a Public Hearing date for the Water Authority's proposed calendar year 2019 Rate and Charge increases.

1-A. Adopt Resolution No. 2018-08 setting the time and place for a public hearing on June 28, 2018, 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, 2019.

1-B. Preliminary Assessment of Calendar Year 2019 Rates and Charges.

Ms. Harris gave a presentation on the item that included the Water Authority cost of service review process, calendar year 2019 rate and charge drivers, proposed calendar year 2019 rate and charge assessment, and next steps in the process.

Staff responded to questions posed by the Board.

Vice Chair Wilson moved, Director Hall seconded, and the motion to approve staffs' recommendation passed unanimously.

2. Innovation Program Update.

Mr. Bousquet gave a presentation on the Innovation Program, including a program overview, program management, innovation culture, bright idea development, external website, and future activities.

Staff responded to questions posed by the Board.

Chair Saxod thanked Mr. Bousquet for the presentation and extended her congratulations to staff that received awards for innovative ideas they submitted to the program. Director Heinrich commended staff for the program and requested a tabulation of the cost savings the program has achieved to date. Director Bianes commended the Water Authority for implementing the program and suggested staff increase partnerships with private companies.

III. INFORMATION

The following information items were received and filed:

1. Controller's Report on Monthly Financial Activity.
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 Saxod adjourned the meeting at 9:51 a.m.

LEGISLATION AND PUBLIC OUTREACH COMMITTEE

CALL TO ORDER/ROLL CALL

Chair Guerin called the Legislation and Public Outreach Committee to order at 9:59 a.m. Committee members present were Chair Guerin, Vice Chairs Butkiewicz and Hall, and Directors Arant, Cate, Evans, Gallo, Hilliker, Madaffer, Muir, Scalzitti*, and Steiner. Committee members absent were Directors Croucher, Morrison and Supervisor Roberts. Also present were Directors Ayala, Barnum, Bebee, Bienes, Boyle, Cherashore, Fong-Sakai, Hedberg, Heinrichs, Hogan, Katz, Kennedy, Lewinger, Murtland, Saxod, Smith 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 Hattam, Deputy General Manager Kerl, Assistant General Managers Cushman and Denham, Acting Director of Public Outreach and Conservation Vedder, Government Relations Manager Farrel and Public Affairs Supervisor Lee.

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 Guerin reported that the Board Officers along with herself visited Sacramento on April 30, they met with members of the San Diego legislative delegation, legislative leadership and Administration officials to advocate on issues affecting the San Diego region, including the water tax legislation and long-term water use efficiency.

She also reported that on May 9, Directors Croucher and Smith along with herself participated in a series of Capitol briefings while in Sacramento attending the ACWA Spring Conference. She stated the Board Officers and LPO committee leadership would be holding their biannual strategy and planning sessions with the Sacramento legislative, regulatory and Washington, D.C. advocacy teams in late June.

DIRECTORS' COMMENTS

There were no Directors' comments.

I. CONSENT CALENDAR

1. Adopt positions on various state bills.
Staff recommendation:

- 1-A Adopt position of Support if Amended on AB 3206 (Friedman), relating to water meter accuracy and performance standards.
- 1-B Adopt a position of Oppose Unless Amended on SB 1244 (Wieckowski), relating to inadvertent disclosure of records.
- 1-C Adopt a position of Oppose Unless Amended on SB 1422 (Portantino), relating to microplastics in drinking water.

Director Evans moved, Director Steiner seconded, and the motion to approve staffs' recommendation passed unanimously.

II. ACTION/DISCUSSION/PRESENTATION

1. Legislative issues.

- 1-A Washington report by Ken Carpi. (Written report only)
- 1-B Sacramento Report.

*Director Scalzitti arrived at 10:18 a.m.

1. Long-Term Water Use Efficiency Legislation.

Mr. Farrel provided a Sacramento report which included an update on the status of the proposed state budget and Water Authority sponsored bills.

2. Quarterly report on Public Outreach and Conservation activities.

Mr. Lee presented the new Brought To You By Water outreach campaign and the new Water News Network.

3. Quarterly Water Conservation Garden report.

Director Evans provided the Board with an update of recent and upcoming Water Conservation Garden activities.

III. INFORMATION

The following Information item was received and filed:

- 1. Government Relations Update.

IV. CLOSED SESSION

There were no Closed Session items.

V. ADJOURNMENT

There being no further business to come before the Legislation and Public Outreach Committee, Chair Guerin adjourned the meeting at 10:56 a.m.

ENGINEERING AND OPERATIONS COMMITTEE

CALL TO ORDER / ROLL CALL

Chair Heinrichs called the Engineering and Operations Committee meeting to order at 11:02 a.m. Committee members present were Chair Heinrichs, Vice Chair Hilliker, and Directors Bebee, Butkiewicz, Fong-Sakai, Hogan, Katz, and Smith. Committee members absent were Vice Chair Miller, Directors Biances, Boyle, Morrison, Preciado, Simpson, and Watkins. Also present were Directors Arant, Barnum, Cate, Cherashore, Evans, Gallo, Guerin, Hall, Hedberg, Kennedy, Lewinger, Madaffer, Muir, Murtland, Saxod, Scalzitti, Steiner, Weston, 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 Hattam, Deputy General Manager Kerl, Assistant General Managers Cushman and Denham, Director of Operations and Maintenance Fisher, Director of Engineering Reed, Senior Engineering Manager Bousquet, Operations and Maintenance Managers Faber and Meda, Principal Engineer Shoaf, Senior Engineer Fountain, Engineer P.E. Oleksyn, and Senior Engineering Technician Akioka.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

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

DIRECTORS' COMMENTS

There were no Directors' comments.

CHAIR'S REPORT

Chair Heinrichs reported that O&M staff successfully completed the Ramona Pipeline Joint Bonding Project. The project was performed to increase the cathodic protection system efficiency, to prevent failures, and to ensure it reaches its design life.

I. CONSENT CALENDAR

There were no Consent Calendar items.

II. ACTION/DISCUSSION/PRESENTATION

1. San Vicente Energy Storage Task Force Update.

Director Hogan, San Vicente Energy Storage Task Force Chair, provided a report on Task Force activities. He stated the Task Force submitted the FERC preliminary permit on April 30, 2018 and are awaiting the application review. He also stated the Task Force met with staff on May 16, 2018 and reported on the CAISO proceedings. On May 19, 2018, he along with Directors Arant and Watkins, the City of San Diego, and Water Authority staff met with Brookfield Renewable Partners L.P. at a negotiation kick off meeting. He also reported that CAISO formally accepted the interconnection application and confirmed that the Water Authority will not need to pay an additional \$250,000 site control deposit. The next step will be to meet with CAISO and SDG&E staff to discuss the technical details on how the facility will fit into the larger system.

1. Construction contract with Carpi USA, Inc. for San Vicente Dam.
Staff recommendation: Authorize the General Manager to award a construction contract to Carpi USA, Inc., in the amount of \$384,512 to mitigate San Vicente Dam water losses from construction joint seepage.

Mr. Oleksyn presented information on the construction contract with Capri USA, Inc. to mitigate San Vicente water loss from construction joint seepage. The presentation included a cross section of the San Vicente Dam, photos of original dam construction, water stops at construction joints, and joints with normal leakage and heavier leakage. The presentation also included a photo of the location and nature of the proposed Carpi liner, a Carpi liner on a different Carpi's project, and staff recommendation.

Director Smith moved, Director Boyle seconded, and the motion to approve staffs' recommendation passed unanimously.

2. Professional services contracts with HDR Engineering, Inc., V&A Consulting Engineers, Inc., Corrpro Companies Inc., and Cathodic Dynamics Inc., for as-needed corrosion support services.
Staff recommendation: Approve the following actions to support the management of the Water Authority's assets:
 1. Authorize the General Manager to award a professional services contract to HDR Engineering, Inc., for a not-to-exceed amount of \$1,000,000, to provide as-needed corrosion support services for a period of two years with an option to renew for an additional two years.
 2. Authorize the General Manager to award a professional services contract to Corrpro Companies, Inc., for a not-to-exceed amount of \$600,000, to provide as-needed corrosion support services for a period of two years with an option to renew for an additional two years.
 3. Authorize the General Manager to award a professional services contract to V&A Consulting Engineers, Inc., for a not-to-exceed amount of \$175,000,

to provide as-needed corrosion support services for a period of two years with an option to renew for an additional two years.

4. Authorize the General Manager to award a professional services contract to Cathodic Dynamics, Inc., for a not-to-exceed amount of \$225,000, to provide as-needed corrosion support services for a period of two years with an option to renew for an additional two years.

Mr. Akioka presented information on as-needed corrosion support services. The presentation included information on impacts of, types of, and mitigation of corrosion. Mr. Akioka also reviewed the Water Authority's cathodic protection system, the current corrosion consultant support, the new corrosion contract, and staff recommendations.

Director Fong-Sakai moved, Director Katz seconded, and the motion to approve staffs' recommendations passed unanimously.

3. Lake Hodges Hydroelectric Pumped Storage In-house Operations Update.

Mr. Meda gave an update on the Lake Hodges hydroelectric pumped storage in-house operations, including the background, preparation efforts, facility transition to the Water Authority, performance to date, performance efficiencies to date, the LHHPS power generation availability, LHHPS revenue performance, proposed budget, budget actuals, and the overall facility summary.

There was a request for information regarding capital costs of the facility for the pumped hydro portion, and the return on investment for the pumped storage project.

4. Advertisement for bids for the San Diego 28 Flow Control and Alvarado Hydroelectric Facilities project.

Mr. Fountain gave an update on the San Diego 28 flow control & Alvarado hydroelectric facility projects, including the project location, background, design, and construction calendar.

III. INFORMATION

There were no Information items.

IV. CLOSED SESSION

Mr. Hattam took the committee into Closed Session at 11:51 a.m.

1. Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
Shimmick Construction Co., Inc./Obayashi Corp., joint venture v. San Diego
County Water Authority, Riverside Superior Court Case No. RIC 1609196
2. Conference with Legal Counsel – Anticipated Litigation
Government Code §54956.9(d)(2)
Risk of Litigation

Mr. Hattam brought the committee out of Closed Session at 12:05 p.m. and stated there was no reportable action.

V. ADJOURNMENT

There being no further business to come before the Engineering and Operations Committee, Chair Heinrichs adjourned the meeting at 12:05 p.m.

IMPORTED WATER COMMITTEE

CALL TO ORDER / ROLL CALL

Chair Weston called the Imported Water Committee meeting to order at 1:00 p.m. Committee members present were Chair Weston, Vice Chairs Fong-Sakai and Kennedy, Directors Barnum, Hogan, Katz, Lewinger, Madaffer, Murtland, Saxod, Scalzitti, Steiner, and Wilson. Committee members absent were Director Miller and Supervisor Roberts. Also present were Directors Arant, Bebee, Bienes, Boyle, Butkiewicz, Cate, Cherashore, Croucher, Evans, Gallo, Guerin, Hall, Hedberg, Heinrichs, Hilliker, Morrison, Muir, Preciado and Smith. 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 Hattam, Deputy General Manager Kerl, Assistant General Managers Cushman and Denham, MWD Program Director Chen, Colorado River Program Director Rodgers, and Senior Water Resources Specialist Mathews.

ADDITIONS TO AGENDA

Chair Weston announced the Consent Calendar item would be deferred until June; Action item II-3 (Bay Delta Policy Principles) would become a discussion item; and the Closed Session items would be moved to the beginning of the meeting.

PUBLIC COMMENT

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

V. CLOSED SESSION

Mr. Hattam took the committee into Closed Session at 1:02 p.m.

1. Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
SDCWA v. Metropolitan Water District of Southern California;
San Francisco Superior Court Case Nos. CPF-10-510830; CPF-12-512466; CPF-14-514004; CPF-16-515282; CPF-16-515391; CGC-17-563350; California County of Appeal (1st District) Case Nos. A146901; A148266; and California Supreme Court Case No. S243500
2. Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
California Department of Water Resources v. All Persons Interested; Sacramento Superior Court Case No. 34-2017-00215965-CU-MC-GDS
3. Conference with Legal Counsel – Anticipated Litigation Government Code §54956.9(d)(4) Initiation of Litigation / Once Case

Mr. Hattam brought the committee out of Closed Session at 2:30 p.m. and stated the Imported Water Committee recommended that the Board approve direction to engage counsel and initiate an action, and the action, the defendants, and the other particulars shall, once formally commenced, be disclosed to any person upon inquiry, unless to do so would jeopardize the agency's ability to effectuate service of process on one or more unserved parties, or that to do so would jeopardize its ability to conclude existing settlement negotiations to its advantage.

CHAIR'S REPORT

Chair Weston reported to the Board earlier in the month, the State's Legislative Committee on Water, Parks and Wildlife held an oversight hearing on Ensuring Successful Implementation of the State's Salton Sea Management Program (SSMP), and Committee members offered legislative aid amid concerns that the initial milestones required as part of the State Water Board's 2017 Stipulated Order would not likely be met by the 2018 deadline. He mentioned staff working on the SSMP indicated that several projects would move forward by the end of this year and any acreage deficiency would be made up in 2019 and another hearing on the status of the SSMP was expected to be held during the summer at a location along the Sea.

DIRECTORS' COMMENTS

There were no Directors' comments.

I. CONSENT CALENDAR

1. Amend agreement for Consulting Services with M Strategic Communications
Staff recommendation: Amend the agreement with M Strategic Communications for continued consulting services to the Water Authority through June 30, 2019 by \$180,000, for a period of 12 additional months, and increasing total contract funding to an amount not to exceed \$956,000.

This item was continued to the June meeting.

II. ACTION/DISCUSSION/PRESENTATION

1. MWD issues and activities update.
1-A Metropolitan Water District Delegates' Report.

The delegates requested the Board refer to the agenda packet for the update.

2. Colorado River Programs
2-A Colorado River Board Representative's report.

Director Wilson requested the Board refer to the written report included in the agenda packet.

2-B Colorado River hydrology update

Ms. Mathews presented an update on hydrology on the Colorado River beginning with an overview of current conditions, a 2018 update and a 2019 preview. She reviewed shortage projections, drought-related agreements, hypothetical impacts to QSA supplies and next steps.

Staff responded to questions and comments posed by the Board.

3. Discuss Updated Bay-Delta Policy Principles.

Ms. Chen explained the Board would not be voting to adopt the Policy Principles today, but would be introducing the updates to receive Board input. She reviewed the Bay Delta relationship to the Water Authority and the investment in the Delta solution as well as financial exposure. She briefed the Board on 2012 Policy Principles and explained the key updates for 2018. She concluded with next steps, which was to receive input, discuss with member agencies and take action at the June Board meeting.

Staff responded to questions and comments posed by the Board.

After a lengthy discussion, Director Madaffer moved, Director Scalzitti seconded, for the San Diego County Water Authority to support the WaterFix project as it evolves, expressly conditioned upon billing the project consistent with Bulletin 132 and direct staff to return to the Board in June with a continued discussion on WaterFix Policy Principles.

Following additional discussion, Vice Chair Kennedy moved, Director Lewinger seconded, to continue the item until the June meeting. A roll call vote was taken, and the motion to continue the item to the June meeting passed.

4. Metropolitan Water District of Southern California Meter Workgroup Update.

Chair Weston announced due to time constraints, this item would be continued to the June meeting.

III. INFORMATION

The following Information item was received and filed:

1. Metropolitan Water District Program Report.

V. ADJOURNMENT

There being no further business to come before the Imported Water Committee, Chair Weston adjourned the meeting at 4:10 p.m.

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

Chair Cherashore called the Water Planning Committee meeting to order at 4:08 p.m. Committee members present were Chair Cherashore, Vice Chairs Boyle and Evans, and Directors Ayala, Bebee, Biances, Cate, Hedberg, Kennedy, Lewinger, Muir, Preciado, Smith, and Weston. Committee member Barnum was absent. Also present were Directors Arant, Butkiewicz, Croucher, Fong-Sakai, Gallo, Guerin, Heinrichs, Hilliker, Hogan, Katz, Madaffer, Morrison, Murtland, Saxod, Scalzitti, Steiner, 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 Hattam, Deputy General Manager Kerl, Assistant General Managers Cushman and Denham, Director of Water Resources Yamada, and Acting Director of Public Outreach and Conservation Vedder.

ADDITIONS TO THE 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 Cherashore welcomed everyone.

DIRECTORS' COMMENTS

There were no Directors' comments.

I. CONSENT CALENDAR

1. Professional services contract with DCSE Inc. for the Water Billing and Information Management System project.

Staff recommendation: Authorize General Manager to award a professional services contract to DCSE Inc. for a not-to-exceed contract amount of \$788,440 for the Water Billing and Information Management System project.

Director Preciado moved, Director Ayala seconded, and the motion to approve staffs' recommendation passed unanimously.

II. ACTION/DISCUSSION/PRESENTATIONS

1. Update on water supply conditions.

Presentation was not given.

2. Annual Storage Assessment.

This presentation was continued to July.

3. Metropolitan Water District of Southern California Conservation Program update.

This presentation was continued to August.

4. Claude "Bud" Lewis Carlsbad Desalination Plant Permitting Status for the Proposed Intake and Discharge System Modifications.

This presentation was continued to July.

III. INFORMATION

The following information item was received and filed:

1. Water Resources report.

IV. ADJOURNMENT

There being no further business to come before the Water Planning Committee, Chair Cherashore adjourned the meeting at 4:11 p.m.

FORMAL BOARD OF DIRECTORS' MEETING OF MAY 24, 2018

1. **CALL TO ORDER** Chair Muir called the Formal Board of Directors' meeting to order at 4:15 p.m.
2. **SALUTE TO THE FLAG**

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

Secretary Croucher called the roll. Directors present were Arant, Ayala, Bebee, Bienes, Butkiewicz, Cate, Cherashore, Croucher, Evans, Fong-Sakai, Gallo, Guerin, Hedberg, Heinrichs, Hilliker, Hogan, Katz, Kennedy, Lewinger, Madaffer, Morrison, Muir, Murtland, Preciado, Saxod, Scalzitti, Smith, Steiner, Weston, and Wilson.

Directors absent were Hall, Barnum, Boyle, Miller (p), Simpson, Watkins, and Supervisor Roberts.

3-A **Report on proxies received.** Director Arant was the proxy for Director Miller.

4. **ADDITIONS TO AGENDA**

There were no additions to the agenda.

5. **APPROVAL OF MINUTES**

Director Evans moved, Director Saxod seconded, and the motion carried at 91.09% of the vote to approve the minutes of the Formal Board of Directors' meeting of April 12, 2018 and the minutes of the Special Board meeting of April 26, 2018.

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 who wished to speak.

7. **PRESENTATIONS & PUBLIC HEARINGS**

7-A Recognition of Brent Fountain, Senior Engineer, Employee of the 3rd Quarter.

Chair Muir introduced Mr. Fountain and congratulated him on being named employee of the quarter.

8. **REPORTS BY CHAIRS**

8-A Chairs report: Chair Muir reported on the Board workshop held April 26 and the joint news conference held at the County Administration Center on May 23 in opposition to the state's proposed tax on drinking water. He thanked the member agency Directors for their support.

8-B **Report by Committee Chairs:**

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

Legislation and Public Outreach Committee. Director Guerin reviewed the meeting and the action taken.

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

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

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

9. **CONSENT CALENDAR**

Director Guerin pulled Consent Calendar item 9-9.

Director Preciado moved, Director Evans seconded, and the motion for items 9-1 through 9-6 and 9-8 carried at 91.09%, and the motion for 9-7 carried at 71.20%.

Directors voting no or abstaining are listed below the item.

9-1. April Monthly Treasurer's Report on Investments and Cash Flow.

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

9-2. May Monthly Treasurer's Report on Investments and Cash Flow.

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

9-3. Resolution setting a Public Hearing date for the Water Authority's proposed calendar year 2019 Rate and Charge increases.

The Board adopted Resolution No. 2018-08 setting the time and place for a public hearing on June 28, 2018, 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, 2019.

9-4. Adopt positions on various state bills.

The Board adopted a position of Support if Amended on AB 3206 (Friedman), relating to water meter accuracy and performance standards; a position of Oppose Unless Amended on SB 1244 (Wieckowski), relating to inadvertent disclosure of records; and a position of Oppose Unless Amended on SB 1422 (Portantino), relating to microplastics in drinking water.

9-5. Construction contract with Carpi USA, Inc. for San Vicente Dam.

The Board authorized the General Manager to award a construction contract to Carpi USA, Inc., in the amount of \$384,512 to mitigate San Vicente Dam water losses from construction joint seepage.

9-6. Professional services contracts with HDR Engineering, Inc., V&A Consulting Engineers, Inc., Corrpro Companies Inc., and Cathodic Dynamics Inc., for as-needed corrosion support services.

The Board approved the following actions to support the management of the Water Authority's assets:

1. Authorized the General Manager to award a professional services contract to HDR Engineering, Inc., for a not-to-exceed amount of \$1,000,000, to provide as-needed corrosion support services for a period of two years with an option to renew for an additional two years.
2. Authorized the General Manager to award a professional services contract to Corrpro Companies, Inc., for a not-to-exceed amount of \$600,000, to provide as-needed corrosion support services for a period of two years with an option to renew for an additional two years.
3. Authorized the General Manager to award a professional services contract to V&A Consulting Engineers, Inc., for a not-to-exceed amount of \$175,000, to provide as-needed corrosion support services for a period of two years with an option to renew for an additional two years.
4. Authorize the General Manager to award a professional services contract to Cathodic Dynamics, Inc., for a not-to-exceed amount of \$225,000, to provide as-needed corrosion support services for a period of two years with an option to renew for an additional two years.

9-7. Anticipated Litigation.

The Board approved direction to engage counsel and initiate an action, and the action, the defendants, and the other particulars shall, once formally commenced, be disclosed to any person upon inquiry, unless to do so would jeopardize the agency's ability to effectuate service of process on one or more unserved parties, or that to do so would jeopardize its ability to conclude existing settlement negotiations to its advantage.

Directors Arant, BIANES, Cate, Hedberg, Fong-Sakai, Preciado, Scalzitti, Steiner, and Wilson abstained on item 9-7.

9-8. Professional services contract with DCSE Inc. for the Water Billing and Information Management System project.

The Board authorized the General Manager to award a professional services contract to DCSE Inc. for a not-to-exceed contract amount of \$788,440 for the Water Billing and Information Management System project.

9-9. Adopt Updated Bay-Delta Policy Principles.

Adopt the updated Bay-Delta Policy Principles to reflect recent events and developments and to protect the Water Authority's ratepayers' interests.

THIS ITEM WAS REMOVED FROM THE CONSENT CALENDAR

Ms. Stapleton explained item 9-9 was a discussion related to Bay Delta policy principles and a motion had been made by the Imported Water Committee to continue the entire matter to the June meeting.

Mr. Hattam explained that the committees are advisory to the Board and that the Board can accept the Imported Water Committee's recommendation to continue the item or not.

Vice Chair Madaffer moved, Director Scalzitti seconded, that the Water Authority support the WaterFix project as it evolves, expressly conditioned upon billing, funding and financial allocations to the Water Authority and direct staff to return to the Board next month with a continued discussion on WaterFix Policy Principles.

Director Preciado moved, Director Katz seconded, to continue the item as recommended by the Imported Water Committee.

The Board discussed a variety of reasons for taking a position versus continuing the item.

Vice Chair Madaffer stated opposition to the continuing the item because it is important to move forward, and in order to develop principles on the WaterFix, a position is needed in which to govern.

Director Lewinger recommended a motion that directs staff to come back next month with a position statement and policy principles that support the current design and construction plans to complete the Bay Delta Fix and provide for actual costs incurred by DWR to be allocated as envisioned in DWR Bulletin 132.

The Board recessed at 4:45 p.m. and reconvened at 4:51 p.m.

Vice Chair Madaffer pulled his previous motion which then terminated the motion to continue the item.

Vice Chair Madaffer moved, seconded by Director Weston, to direct staff to return at the next Board meeting with a position statement and policy principles that support current design and construction plans to complete the Bay Delta Fix and provide for actual costs incurred by DWR to be categorized as envisioned by DWR Bulletin 132.

The Board requested the wording of the motion be modified to include California WaterFix and the maker of the motion agreed. There was no further discussion and the motion carried unanimously at 91.09%

10. **ACTION/DISCUSSION**

There were no action or discussion items.

11. **SPECIAL REPORTS**

11-A GENERAL MANAGER'S REPORT – Ms. Stapleton stated the June 14 Special Board meeting is cancelled.

11-B GENERAL COUNSEL'S REPORT – Mr. Hattam stated he had nothing further to report.

11-C SANDAG REPORT – No report was provided.
SANDAG Subcommittees:
Borders Committee – No report was provided.
Regional Planning Committee – Director Gallo reported on discussion and action taken at the Regional Planning Committee Meeting.

11-D AB 1234 Compliance Reports – No reports were given.

12. **CLOSED SESSION(S)**

Mr. Hattam took the Board into Closed Session at 4:54 for clarification on item 12-E.

12-A Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
Shimmick Construction Co., Inc./Obayashi Corp., joint venture v. San Diego County Water Authority, Riverside Superior Court
Case No. RIC 1609196

12-B Conference with Legal Counsel – Anticipated Litigation
Government Code §54956.9(d)(2)
Risk of Litigation

12-C Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
SDCWA v. Metropolitan Water District of Southern California;
San Francisco Superior Court Case Nos. CPF-10-510830; CPF-12-512466;
CPF-14-514004; CPF-16-515282; CPF-16-515391; CGC-17-563350;
California Court of Appeal (1st District) Case Nos. A146901; A148266;
and California Supreme Court Case No. S243500

- 12-D Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
California Department of Water Resources v. All Persons Interested;
Sacramento Superior Court Case No. 34-2017-00215965-CU-MC-GDS
- 12-E Conference with Legal Counsel – Anticipated Litigation
Government Code §54956.9(d)(4)
Initiation of Litigation / Multiple Cases
- 12-F Public Employee Performance Evaluation
Government Code §54957 – Title: General Manager
- Conference with Labor Negotiators, Government Code §54957.6
Designated Board Representatives: Chair, Vice-Chair, Secretary
Unrepresented Employee: General Manager
- 12-G Public Employee Performance Evaluation
Government Code §54957 – Title: General Counsel
- Conference with Labor Negotiators, Government Code §54957.6
Designated Board Representatives: Chair, Vice-Chair, Secretary
Unrepresented Employee: General Counsel

Mr. Hattam brought the Board out of Closed Session at 5:00 p.m. with the following reportable action: The Board approved direction to engage counsel and initiate an action, and the action, the defendants, and the other particulars shall, once formally commenced, be disclosed to any person upon inquiry, unless to do so would jeopardize the agency's ability to effectuate service of process on one or more unserved parties, or that to do so would jeopardize its ability to conclude existing settlement negotiations to its advantage.

Mr. Hattam took the Board into Closed Session at 5:02 p.m. to discuss items 12-F and 12-G. Mr. Hattam recused himself on both items. Outside Legal Counsel Frances Rogers of Libert Cassidy Whitmore, attended the Closed Session item 12-F.

13. ACTION FOLLOWING CLOSED SESSION


- 13-1. Approve amendments to employment agreement with General Manager.
This item was continued.

- 13-2. Approve amendments to employment agreement with General Counsel.
The Board approved amendments to the employment agreement with the General Counsel.

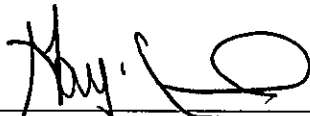
Mr. Hattam took the Board out of Closed Session at 6:25 p.m. and provided the following reportable action: The Board approved amendments to the employment agreement with the General Counsel and continued the approval of amendments to the employment agreement with the General Manager.

14. OTHER COMMUNICATIONS
There were no other communications.

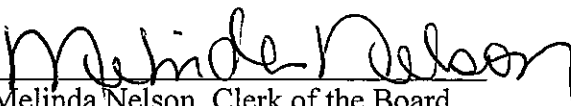
15. ADJOURNMENT
There being no further business to come before the Board, Chair Muir adjourned the meeting at 6:27 p.m.



Mark Muir, Chair



Gary Croucher, Secretary



Melinda Nelson, Clerk of the Board