



San Diego County Water Authority

**4677 Overland Avenue
San Diego, California 92123**

FORMAL BOARD OF DIRECTORS' MEETING

The mission of the San Diego County Water Authority is to provide a safe and reliable supply of water to its member agencies serving the San Diego region.

May 27, 2010

3:00 p.m.

1. Call to Order.
2. Salute to the flag.
3. Roll call, determination of quorum.
3-A Report on proxies received.
4. Additions to agenda. (Government code Sec. 54954.2(b)).
5. Approve the minutes of the Special Board meeting of April 8, 2010, and the Formal Board of Directors' meeting of April 22, 2010.
6. Opportunity for members of the public who wish to address the Board on matters within the Board's jurisdiction.
7. **PRESENTATIONS & PUBLIC HEARINGS**
 - 7-A **Retirement of Director.** Adopt Resolution No. 2010-__ honoring Joseph Parker upon his retirement from the Board of Directors.
 - 7-B **Appointment of Director.** Lynne Heidel representing city of San Diego. Term expires March 7, 2016.
 - 7-C Recognition of Kelly Rodgers, Senior Engineer, employee of the 3rd quarter.
8. **REPORTS BY CHAIRS**
 - 8-A Chair's report – Chair Lewis
 - Notice of intent to appoint delegate replacement to the Metropolitan Water District Board.
 - General Manager and General Counsel annual evaluation process.



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| 8-B | <u>Report by Committee Chairs</u> | |
| | Administrative and Finance Committee | Director K. Williams |
| | Legislation, Conservation and Outreach Committee | Director Dailey |
| | Imported Water Committee | Director McMillan |
| | Engineering and Operations Committee | Director Arant |
| | Water Planning Committee | Director Saunders |

9. CONSENT CALENDAR

- 9- 1. Treasurer's report.
Note and file the monthly Treasurer's report.
- 9- 2. Procedures for Acquisitions and Contracts.
Adopt Ordinance No. 2010-_____ an ordinance of the Board of Directors of the San Diego County Water Authority amending various sections of Article 4, Chapter 4.04 of the Administrative Code to delete authorization to award contracts based on vendor lists and making other technical and clean-up amendments. Retain the current limits for the General Manager's emergency contracting authority.
- 9- 3. Resolution setting a Public Hearing date for the Water Authority's proposed calendar year 2011 rate and charge increases.
Adopt Resolution No. 2010-___ setting the time and place for a public hearing on June 24, 2010, at 9:00 a.m., or as soon thereafter as may practicably be heard, during the Administrative and Finance Committee meeting, to receive comments regarding establishing a Melded Supply Rate, a Melded Treatment Rate, a Transportation Rate, the Special Agricultural Water Program rates, a Customer Service Charge, a Storage Charge and an Infrastructure Access Charge to be effective January 1, 2011 for calendar year 2011.
- 9- 4. Adopt positions on various state bills.
Adopt positions of Oppose on AB 1664 (Swanson) and AB 2583 (Hall).
- 9- 5. Adopt positions on various federal bills.
Adopt positions of Support on HR 4579 (Filner), and Oppose on HR 5088 (Oberstar).
- 9- 6. Consider adopting position on Proposition 16.
- 9- 7. Notice of Completion for the Package 2B San Vicente Vegetation Cutting and Erosion Control project.
Authorize the General Manager to accept the San Vicente Reservoir Vegetation Cutting and Erosion Control project as complete, record the Notice of Completion, and release funds held in retention to ValleyCrest Landscape Development, Inc., following the expiration of the Notice of Completion period.

- 9- 8. Change Orders to Archer Western for the ESP-Lake Hodges Pump Station and Inlet/Outlet Structure project.
Accept Archer Western change orders 35 through 37 for \$403,607 increasing the contract amount to 73,426,066.
- 9- 9. Re-bid the contract for the construction and installation of the Escondido office HVAC system upgrade.
Authorize the General Manager to reject all bids and re-bid the contract for construction and installation of the Escondido office HVAC system upgrade.
- 9-10. Grant of Easement to San Diego Gas and Electric Company.
Authorize the General Manager to grant a five-acre aerial easement to SDG&E for the offered amount of \$267,000.
- 9-11. Resolution declaring the fee interest in San Diego County Water Authority Parcel Numbers 5E1-543; 5E1-542D; 5E1-542E; 5E1-544; 5E1-545; and 5E1-546 is surplus to Water Authority needs.
Adopt Resolution No. 2010- _____ declaring the fee interest in San Diego County Water Authority Parcel Numbers 5E1-543; 5E1-542D; 5E1-542E; 5E1-544; 5E1-545; and 5E1-546 is surplus to Water Authority needs. Authorize the General Manager to dispose of the fee property for fair market value in accordance with the San Diego County Water Authority Administrative Code, Chapter 7, and reserve any easements and setbacks necessary for proper operation and maintenance of Water Authority pipelines.
- 9-12. Professional services contract for security services for the Emergency Storage Project at the San Vicente construction site.
Authorize the General Manager to award a professional services contract to Bald Eagle Security Services for security services at the San Vicente construction site for up to five years through June 2015, for an amount not-to-exceed \$700,000.
- 9-13. Shortage management actions for fiscal year 2011 in response to supply cutbacks from Metropolitan Water District.
Continue to allocate supplies to member agencies in accordance with the Drought Management Plan; Remain at Level 2, “Drought Alert” condition, consistent with the Water Authority’s Drought Response Conservation Program Ordinance; and Do not withdraw dry-year supplies from carryover storage or utilize additional dry-year transfers.
10. ACTION / DISCUSSION



11. CLOSED SESSION(S)
- 11-A CLOSED SESSION:
Conference with Labor Negotiator, Government Code §54957.6
Agency Designated Representatives: Frank Belock, Susan Leone
Employee Organization: California Teamsters Public, Professional and Medical
Employees Union Local 911
- 11-B CLOSED SESSION:
Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(a)
Name of Case: QSA Judicial Council Coordination Proceeding No. 4353
- 11-C CLOSED SESSION:
Conference with Legal Counsel – Initiation of Litigation
Government Code §54956.9(c) – One Case
- 11-D CLOSED SESSION:
Conference with Legal Counsel – Potential Litigation
Government Code §54956.9(b) and (c) – Lake Hodges ESP/Pump Storage Pump
Station Project
12. Action following Closed Session. (if needed)
13. SPECIAL REPORTS
 - 13-A GENERAL MANAGER’S REPORT – Ms. Stapleton
 - 13-B GENERAL COUNSEL’S REPORT – Mr. Hentschke
 - 13-C SANDAG REPORT – Director Muir
SANDAG Subcommittee: Borders/Regional Planning Committee –
Director Saxod
 - 13-D AB 1234 Compliance Reports – Directors
14. OTHER COMMUNICATIONS
15. ADJOURNMENT

Doria F. Lore
Clerk of the Board

NOTE: The agendas for the Formal Board meeting and the meetings of the Standing Committees held on the day of the regular Board meeting are considered a single agenda. All information or possible action items on the agenda of committees or the Board may be deliberated by and become subject to consideration and action by the Board.



San Diego County Water Authority
Board of Director's Annual Retreat
April 8, 2010

—RETREAT NOTES—

SDCWA Board of Directors' Annual Retreat

April 8, 2010
Continental Breakfast: 8:30 a.m.
Session begins promptly at 9:00 a.m. and ends at 3:00 p.m.
Otay Water District Offices
2554 Sweetwater Springs Blvd., Spring Valley

AGENDA

The New Normal: Uncertainty in Water

Facilitator: Michele Tamayo

Retreat Objective: Understand Key Challenges Affecting the Water Authority's Future and Address Related Policy Issues

- I. **Welcome/Introduction**
- II. **A Year in Review: Successes Achieved and Challenges Overcome at the Water Authority – What Challenges will 2010 Bring?**
- III. **Metropolitan Water District: Issues and Challenges Directly Impacting the Authority and its Member Agencies**
- IV. **What does our Water Supply and Demand Picture Look Like in the Future?**
 - **Local Supply Development and Its Role in Providing Safe and Reliable Water for the Future: Member Agencies and Water Authority's Opportunities and Obligations**
- V. **Lunch with Speaker —Understanding the Region's Economic Environment and its Impact on the Water Authority, Marney Cox, SANDAG Chief Economist**
- VI. **Annexations: Implications for Regional Economic Development and Water Supply Reliability**
- VII. **What does the Next 10 Years hold for the Water Authority's Conservation Efforts?**
- VIII. **Wrap-Up**

A Year in Review:

Successes Achieved and Challenges Overcome

Board members were asked to come to the retreat prepared to discuss both successes achieved and anticipated challenges ahead in 2010. The following lists are their responses.

1. Successful bonding of Capital Improvement Program
2. Excellence in staff
3. SCOOP successes
4. Teamed with business community
5. Self-reliance
6. Independence
7. Reliability
8. Canal lining
9. Exceeding conservation goals
10. Asset Management Plan
11. CRACA (Comprehensive Reliability and Cost Assessment) and CRACA-Lite
12. Special Agricultural Water Rate (SAWR)
13. Metropolitan Water District (MWD) team creation
14. Bay-Delta Legislative Package
15. Strategic Plan
16. Supply Diversification
17. Drought Management Plan
18. Quantification Settlement Agreement (QSA)
19. Cost effective bond financing
20. Communication with Board on MWD
21. Strengthened Sacramento Legislative Team
22. Creative water transfers
23. Public outreach on conservation

24. Board learned to work together better and talk
25. Handling of rate increase with teamwork—managed difficult situation

Looking Ahead:

What Challenges Are We Facing in 2010?

1. Annexations
2. Total fairness at MWD
3. Technology impact on behavior
4. Need to develop long-range worst-case scenario
5. Large fixed costs with variable commodity
6. Climate change and Colorado River Basin
7. Rate integrity and incentives
8. Water quality restraints on local supply
9. Impact of unfunded mandates
10. Local supply development impact on Water Authority sales and facilities
11. Future rate stabilization
12. Population growth in rural areas
13. Bay Delta
14. QSA preservation
15. Perception of loss of crisis
16. Stranded assets
17. Social outlook changing
18. New outlook on water
19. Water Bond
20. Maximizing water use
21. Lake Hodges project
22. Rate increases
23. Earthquakes—safety
24. Desalination
25. Salaries and benefits

- 26. Water Authority's role in recycled water
- 27. Water supply—enough sales—money

**Metropolitan Water District:
Issues and Challenges Directly Impacting the Authority
and its Member Agencies**

MWD Delegates Fern Steiner, Bud Pockington and Keith Lewinger presented the MWD Work Plan Update. The presentation included: Key Facts-The Foundation, 2009/10 Objectives/Update, Changed Circumstances & Long Term Objectives, Cost of Service, Next Steps & Roundtable Discussion.

Board members identified the following “takeaways” from the presentation.

1. Educate Water Authority Board on MWD—Use MWD Briefing book and MWD attendance
2. Water Authority has great staff/support
3. Clarify inappropriate rate structures
4. Responsibility to “get it right”—appropriate rate structure
5. Need to prioritize issues
6. Rate and budget top priority
7. Work on Bay Delta
8. Promote local supply development at local agency cost
9. Water Authority does not need new supply from MWD
10. Need better teamwork between MWD Staff and Board
11. How to fix the Delta and its costs
12. Regional bond to fix issues
13. Water Authority Delegation works as a TEAM
14. Build natural alliances /funding

What does our Water Supply and Demand Picture Look Like in the Future?

Local Supply Development and Its Role in Providing Safe and Reliable Water for the Future: Member Agencies and Water Authority's Opportunities and Obligations

Ken Weinberg presented a comprehensive overview of the Water Authority's supply and demand picture for water in the short- and long- term. After the presentation and discussion, small groups addressed the role of the Water Authority and the Member Agencies in developing local supply. They also discussed ideas for accountability and performance requirements. Following, are the charts created by the six work groups.

Local Supply Development	
<u>Water Authority</u>	<u>AGENCY</u>
Maintain current practice? Incentives? Performance requirements?	

Local Supply Development	
<u>Water Authority Role</u>	<u>AGENCY Role</u>
Encourage policies of local agencies to take risk, i.e. Tier 1-Tier 2	Leadership—Lead Role
Encourage Project Implementation Policies	Foster-Benefits with local agency
Regional Brine Line(s)	
Transmission Pipeline for Regional Benefit	
Regulatory Advocate	

Local Supply Development

Water Authority Role

Partner with Agencies

More Education

- Opportunities
- How To

More Frequent Updates

Water Jurisdictional Infrastructure

AGENCY Role

Partner with CWA

Localize Education Willingness

Continual Reporting

Cooperation

Accountability/Performance

Local Supply Development

Water Authority Role

Money & Technology

Remove restrictions—make it easier for Agencies

Ease regulations

AGENCY Role

Create plans

Identify potential water projects within their area

Cooperate with adjacent agencies in Development

New use of drilling technologies

Accountability/Performance

1. Check prior projects to determine success rate!
2. Studies should be done prior to moving forward so that favorable results can be predicted before development occurs.

Local Supply Development

Water Authority Role

- Subsidy consistent with our MWD position?
- Revolving loan
- To facilitate project at start
- Legislative for regional benefit of project
- Studies – Modeling, Benchmarking

AGENCY Role

- Diversify supply— w/o subsidy
- Project/Planning

Accountability: Failure = Tier II price MWD Water

Local Supply Development

Water Authority Role

- Limited financial role where marginal cost is less than Water Authority rate.
- Facilitate storage, treatment, conveyance where economical.
- Appropriate financial model given marginal costs of other supplies, reliability, lost opportunities

AGENCY Role

- Project proponent - Research viability of potential projects.

Accountability— Policy to balance risks

Lunch with Speaker —Understanding the Region’s Economic Environment and its Impact on the Water Authority, Marney Cox, SANDAG Chief Economist

Marney Cox provided a comprehensive overview of the San Diego Region’s long range forecast and emerging trends. Questions and discussion were included.

Annexations: Implications for Regional Economic Development and Water Supply Reliability

Dana Frieauf and Dennis Lamb, GM, Vallecitos presented an overview of annexations. Recommendations from the Working Group were presented in preparation for the April Board meeting.

What does the Next 10 Years hold for the Water Authority’s Conservation Efforts?

Bill Rose presented an overview of Conservation elements, budgets and a review of the benefits of the Regional Program. The board was asked to discuss/clarify the roles of the Water Authority and the Member Agencies in Conservation. The following list was created.

WATER CONSERVATION

Water Authority's Role

1. Raise rates
2. Update Urban Water Management Plan (UWMP)
3. Large-scale water recycled—facilitate
4. Evaluate cost of compliance vs. grants
5. Price
6. Approach reduction #'s regionally

Member Agency Role

1. Raise prices
2. Update UWMP
3. Reclaimed water
4. Legislation—lawn conversion credit
5. Advertising/outreach
6. Re-evaluation of the different elements
7. Show per-capita data on water bill

**MINUTES OF THE FORMAL BOARD OF DIRECTORS' MEETING
APRIL 22, 2010**

WATER PLANNING COMMITTEE

CALL TO ORDER/ROLL CALL

Chair Saunders called the Water Planning Committee to order at 9:05 a.m. Committee members present were Vice Chair Ferguson, Directors Dailey, Lewinger, Linden, McMillan, Muir, Steiner, and Watton. Vice Chair Petty and Committee members Lewis, Martin, and Parker were absent. Other Board members present were Directors Arant, Blackburn, Bond, Dion, Hogan, Jungreis, McIntosh, Pocklington, Saxod, Smith, Tu, Wight, and K. Williams. At that time, there was a quorum of the full Board and the meeting was conducted as a meeting of the Board; however, only Committee members participated in the vote.

Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Manager Kerl, Assistant General Manager Cushman, Director of Water Resources Weinberg, Water Resources Manager Yamada, MWD Program Westford, Principal Water Resources Specialist Frieauf, and Water Resources Specialist Dobalian.

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

There was no chair's report.

DIRECTORS' COMMENTS

There were no Directors' comments.

I. CONSENT CALENDAR

There were no consent items.

II. ACTION/DISCUSSION

Chair Saunders requested item #1-B be taken out of order.

1. Drought Management Plan.
1-B Water Supply conditions.

Ms. Dobalian briefed the Board on current supply conditions including snow and reservoir conditions, Feather River average water year runoff at Orville, Colorado River conditions, local precipitation from July 2009 thru April 22, 2010, storage in major local reservoirs that received runoff, and purchase of unused MWD allocation.

1-A Metropolitan Water District of Southern California's 2010 Water Supply update.

Ms. Westford reported on MWD's 2010 Water Supply that included background information, considerations for WSAP continuation, 2010 Water Supply Outlook, storage draws by SWP allocation WSAP Level 2, and impact of withdrawals to San Diego region.

2. Coordination of Regional Surface Water Storage Reservoirs.
Staff recommendation: Direct staff to work with member agencies that own and operate local reservoirs and use existing local agency operations as a base line to identify and integrate strategic opportunities to maximize and optimize Water Authority and local agency storage for long term carryover and seasonal peak aqueduct demand management purposes and incorporate appropriate actions in the updates of the 2010 Urban Water Management Plan and 2012 Water Facilities Master Plan.

Mr. Weinberg presented to the Board the following revised staff recommendation:

“Direct staff to work with member agencies that own and operate local reservoirs and use existing local agency operations as a base line to identify and integrate strategic opportunities to maximize and optimize Water Authority and local agency storage for long term carryover and seasonal peak aqueduct demand management purposes and incorporate appropriate actions in the updated 2012 Water Facilities Master Plan.”

Mr. Weinberg presented an overview to the Board and provided information on current efforts to coordinate Water Authority and member agency storage volumes and reservoir operations.

Director Steiner moved, Director Lewinger seconded, and the motion passed unanimously.

3. Approve Proposed Procedures for Implementation of San Diego County Water Authority's Annexation Policy #2: Protection of Member Agency Supply Reliability.
Staff recommendation: Approve the proposed Procedures for implementation of San Diego County Water Authority's Annexation Policy #2: Protection of Member Agency Supply Reliability.

Ms. Frieauf presented to the Board an overview of activities associated with development procedures for implementation of Annexation Policy #2, items considered in preparation of proposed procedures, main components of proposed procedures, the process of making a determination of adverse effect, a summary of proposed guidelines for agency utilizing offset project, and additional issues identified by the Workgroup.

Mr. Ted Griswold, representing the Sycuan Indian Band addressed the Board.

Director Watton moved, Director Steiner seconded, and the motion passed unanimously.

4. Memorandum of Understanding with the Marine Corps Base Camp Pendleton for Planning Activities related to the Camp Pendleton Seawater Desalination Project.
Staff recommendation: Approve a Memorandum of Understanding (MOU) between the Water Authority and Marine Corps Base Camp Pendleton for the performance of planning activities for the Camp Pendleton Seawater Desalination Project.

Mr. Yamada presented to the Board and summarized the Camp Pendleton's unique coastal site, benefits to the Marine Corp, project background, feasibility study key findings, proposed planning/technical studies, MOU provisions, field investigations and surveys, and the timetable schedules for completion of tasks. He then referred the Board to the pick up packet item regarding the strikeout redline MOU and the signed MOU by Colonel, U.S. Marine Corp Commanding Officer, N.F. Marano.

Director Steiner moved, Vice Chair Ferguson seconded, and the motion passed unanimously.

III. INFORMATION

The following Information items were noted and filed:

1. Fiscal Year 2010 Water Supply Allocations monitoring.
2. Water Resources report.

IV. CLOSED SESSION

There were no Closed Session items.

V. ADJOURNMENT

There being no further business to come before the Water Planning Committee, Chair Saunders adjourned the meeting at 10:35 a.m.

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

Chair Dailey called the Legislation, Conservation and Outreach Committee to order at 10:47 a.m. Committee members present were Chair Dailey, Vice Chair Saxod, and Directors Arant, Blackburn, Dion, Hilliker, Jungreis, Muir, Tu, Watton, H. Williams, and K. Williams. Committee members absent were Vice Chair Morrison and Directors Croucher and Mudd. Also present were Directors Bond, Ferguson, Hogan, Knutson, Lewinger, Linden, McIntosh, McMillan, Pocklington, Price, Saunders, Smith, Steiner, and Wornham. At that time, there was a quorum of the full Board and the meeting was conducted as a meeting of the Board; however, only Committee members participated in the vote. Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Kerl and Belock, Assistant General

Manager Cushman, Director of Public Affairs Foster, Government Affairs Manager Volberg, and Water Conservation Program Executive Rose.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

There were no members of the public who wished to address the Legislative, Conservation and Outreach Committee.

CHAIR'S REPORT

Chair Dailey announced that the San Diego Greater Science Fair winners would receive their awards at the Board meeting at 3 p.m.

DIRECTORS' COMMENTS

There were no Directors' Comments.

I. CONSENT CALENDAR

1. Professional services contract to A&N Technical Services, Inc., Aquacraft, Inc., and Winzler & Kelly for as-needed water conservation program evaluation and planning services.

Staff recommendation: Award three individual three-year professional services contracts with two-year extension options in the amount of \$305,000 to A&N Technical Services, Inc.; \$161,000 to Aquacraft, Inc.; and \$170,000 to Winzler & Kelly for a not-to-exceed total of \$636,000 to provide as-needed water conservation program evaluation and planning services.

Director Saxod moved, Director Tu seconded to discuss the item. Director McMillan requested a breakdown of the amount saved using devices versus pricing. Director Muir asked if an evaluation could be done by staff. Mr. Rose responded that staff did not have the expertise on grants needed to make evaluations. Ms. Stapleton said that the Board is advised when a grant is received.

Directors Saxod and Tu encouraged the involvement of member agencies in the evaluation process. Mr. Rose said member agencies would be consulted if the Water Authority considered changing its programs.

Chair Dailey called for the question and the motion passed to accept staff recommendation to award three individual three-year professional services contracts with two-year extension options as noted above. Director Arant abstained.

II. ACTION/DISCUSSION

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

Legislative Advocate Carpi reported on issues in Sacramento and Washington, D.C.

- 1-B Adopt positions on various state and federal bills.
Staff recommendation: Adopt positions of: Support on HR 4225 (Costa), AB 1677 (Caballero), AB 2277 (Fletcher), and SB 1478 (Natural Resources & Water Committee); Support, if amended, on SB 1469 (Simitian); and Oppose on AB 2422 (T. Berryhill).

Mr. Volberg provided a presentation including an overview of each of the above bills and a summary of staff recommendations.

Director Tu moved, Director Saxod seconded and the motion passed unanimously to adopt positions of Support on HR 4225 (Costa), AB 1677 (Caballero), AB 2277 (Fletcher), and SB 1478 (Natural Resources & Water Committee); Support, if amended, on SB 1469 (Simitian); and Oppose on AB 2422 (T. Berryhill).

Director Steiner requested that staff look at AB 1995 (de la Torre) and AB 1664 (Swanson). Mr. Volberg said those bills were being evaluated and tracked by staff.

III. INFORMATION

1. Water Conservation Garden report.

Director Tu stated that the Conservation Garden hosted a booth at the San Diego Earth Day event on April 18, the Gardening Festival was scheduled for April 24, 2010 and a landscape contest would be hosted on May 8. She encouraged everyone to become a Garden partner.

The following items were received and filed:

2. Government relations update.
3. Status report on legislation and legislative positions.

IV. ADJOURNMENT

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

ENGINEERING AND OPERATIONS COMMITTEE **CALL TO ORDER/ROLL CALL**

Chair Arant called the Engineering and Operations Committee to order at 11:16 a.m. Committee members present were Chair Arant, Vice Chair Smith, Directors Ferguson, Hogan, Jungreis, Knutson, McIntosh, Pocklington, and Saunders. Director Wornham arrived at 11:20 a.m. Directors absent were Bowersox, Morrison, and Mudd. Other Board members present were Directors Blackburn, Bond, Dailey, Dion, Hilliker, Lewinger, Linden, McMillan, Muir, Price, Saxod, Steiner, Watton, H. Williams, and K. Williams. At that time, there was a quorum of the full Board and the meeting was conducted as a meeting of the Board; however, only Committee members participated in the vote.

Staff present was General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Director of Engineering Stift, Acting Director of Right of Way Busch, Director of Operations and Maintenance Eaton, Engineer PE Wallace, Senior Engineer Kavanagh, and Senior Engineer Conner. General Manager Stapleton arrived at 11:30 a.m.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

Members of the public addressing the Committee under Action/Discussion agenda item 1-A spoke when the item was presented on the agenda.

CHAIR'S REPORT

Chair Arant reminded the Board of the upcoming 2010 Engineering and Operations Tour scheduled for May 12, 2010.

I. CONSENT CALENDAR

1. Professional services contracts for as-needed structural engineering services.
Staff recommendation: Authorize the General Manager to award two separate three-year professional services contracts in the amount not-to-exceed \$250,000 each to Simon Wong Engineering and Tetra Tech for as-needed structural engineering services.

Director Knutson moved to approve the consent calendar, Director Ferguson seconded, Director Saunders abstained and the motion passed unanimously.

II. ACTION/DISCUSSION

1. San Vicente Dam Raise projects.
 - 1-A Construction contract for the San Vicente Dam Raise Package 3 – Roller Compacted Concrete Dams and Appurtenant Facilities project.
Staff recommendation: Approve Shimmick Construction Company Inc./Obayashi Corporation A Joint Venture's substitution of pipe manufacturer and supplemental bid information, and authorize the General Manager to award a construction contract to Shimmick/Obayashi in the amount of \$140,206,050 for the San Vicente Dam Raise Package 3 – Roller Compacted Concrete Dams and Appurtenant Facilities.

Mr. Stift gave a presentation on the background of the project before giving the floor to Ms. Kavanagh who gave a presentation that included information on the following: bid results, bid protest, bid evaluation, and a revised staff recommendation as follows:

Reject all bid protests – Ratify Shimmick Construction Company Inc./Obayashi Corporation A Joint Venture’s substitution of pipe manufacturer and supplemental bid information – Authorize the General Manager to award a construction contract to Shimmick/Obayashi in the amount of \$140,206,050 for the San Vicente Dam Raise Package 3 – Roller Compacted Concrete Dam and Appurtenant Facilities.

Members of the public addressing the Committee under Action/Discussion agenda item 1-A were as follows: Thomas Palffy, Hunt Ortmann, Legal Counsel for Kiewit Pacific Company and James Moye, Legal Counsel for Shimmick/Obayashi.

Paul Camaur, Adam Zagorski and Brad Fales all with Shimmick/Obayashi submitted speaker request forms but declined any further comment following Mr. Moye’s statements.

Following a few questions and comments from the Committee, Director Pocklington made a motion to call for the question, Director Ferguson seconded and the motion to call for the question passed unanimously.

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

Chair Arant complimented the Engineering Department on their fine work in bringing in very favorable bids and structuring the bid package in such a way as to make it very resistant to potential bid challenges. He stated that their outstanding work had saved the Water Authority and the region's rate payers literally tens of millions of dollars on this very important project.

1-B CLOSED SESSION:

Conference with Legal Counsel – Significant threat of litigation
Government Code §54956.9(b) – San Vicente Dam Raise bid award

Mr. Hentschke stated his office had reviewed the bid protest process and had consulted with staff and special counsel and the Board was free to move forward in implementing the revised staff recommendation and a Closed Session would not be necessary if that were the case.

1-C Professional services contract to GEI Consultants, Inc. for Package 4-San Vicente Bypass Pipeline project.

Staff recommendation: Authorize the General Manager to award a professional services contract for \$2,257,000 to GEI Consultants, Inc., for design of the San Vicente Bypass Pipeline project.

Mr. Conner provided a presentation, following a few questions, Director Saunders moved to approve staff recommendation, Director Ferguson seconded, and the motion passed unanimously.

III. INFORMATION

There were no information items on the agenda.

IV. ADJOURNMENT

There being no further business to come before the Engineering and Operations Committee, Chair Arant adjourned the meeting at 11:47 a.m.

ADMINISTRATIVE AND FINANCE COMMITTEE

CALL TO ORDER/ROLL CALL

Chair Williams called the Administrative and Finance Committee meeting to order at 1:00 p.m. Committee members present were Chair K. Williams, Vice Chairs Hogan and Price, Directors Bond, Dion, Hilliker, Pocklington, Smith, Steiner, Wight, H. Williams, and Wornham. There were no Committee members absent. At that time, there was a full quorum of the Board, and the meeting was conducted as a meeting of the Board, however, only committee members participated in the vote. Also present were Directors Arant, Blackburn, Croucher, Dailey, Ferguson, Jungreis, Johnson, Lewinger, Linden, McIntosh, McMillan, Petty, Saunders, Saxod, and Tu. Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Director of Administrative Services Young, Director of Finance Sandler, Controller Wade, and Purchasing Manager Troche.

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

There was no chair report.

DIRECTORS' COMMENTS

There were no comments.

I. CONSENT CALENDAR

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

2. Application for grant funding under the Bureau of Reclamation Water SMART Program: Water and Energy Efficiency Grants for FY2010.
Staff recommendation: Adopt Resolution 2010-____ 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 Dion moved, seconded by Vice Chair Price, and the motion passed unanimously to approve the consent calendar.

II. ACTION/DISCUSSION

There were no action items this month.

III. INFORMATION

The following items were received and filed:

1. Report on purchase orders and contracts for goods and services above \$10,000 awarded between July 1, 2009 and March 31, 2010.

Chair Williams thanked Ms. Young and Mr. Troche for their hard work on the report, and pointed out a large number of the contracts for goods and services were competitively bid as indicated on the report.

2. Controller's report on monthly financial statements.
3. Board of Directors' first quarter 2010 payments and attendance.
4. Board calendar.

V. ADJOURNMENT

There being no further business to come before the Administrative and Finance Committee, Chair Williams adjourned the meeting at 1:02 p.m.

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

Chair McMillan called the Imported Water Committee to order at 1:10 p.m. Committee members present were Directors Blackburn, Bond, Croucher, Lewinger, Linden, McIntosh, Price, Saxod, and Wight. Directors Parker, Petty, and Tu were absent. Director Knutson arrived at 1:20 p.m. Also present were Directors Arant, Dailey, Dion, Ferguson, Hilliker, Hogan, Morrison, Muir, Pocklington, Smith, Steiner, Watton, H. Williams, K. Williams, 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 included General Manager Stapleton, General Counsel Hentschke, Deputy General Manager Belock, Deputy General Manager Kerl, Assistant General Manager Cushman, Colorado River Program Director Razak, MWD Program Chief Chen, and others.

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 McMillan stated that the Department of Water Resources increased its water delivery allocation to 30 percent due to the above average content of the Sierra's snowpack. He discussed the Bureau of Reclamation's "kickoff" ceremony for the Yuma Desalting Plant Pilot Project and the Drop 2 storage reservoir project. He announced that the All-American Canal Lining Project was selected as one of the American Public Works Association's Public Works Project of the Year for 2010.

4-A Director's comments.

There were no Director's comments.

I. CONSENT CALENDAR

1. Authorize amendment to agreement regarding Water Authority proportionate share of funding for the Colorado River Board.
Staff recommendation: Authorize the General Manager to execute an amendment to the joint powers agreement extending the existing agency proportional funding shares.

Director Price made a motion, Director Bond seconded, and the motion passed unanimously.

II. ACTION/DISCUSSION

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

Ms. Chen gave a presentation on the MWD board's actions on its rates at its April board meeting. She stated that the board voted to adopt an overall average 7.5 percent rate increase for each calendar year in 2011 and 2012; and the budget adoption was postponed to the May meeting to allow staff to develop \$20 million in reductions for fiscal year 2011 so the 7.5 percent rate increase would fully recover costs. The delegates discussed the board's actions on the rates, stating that they voted no on all rate increase motions due to how MWD misallocated costs on its rate components; and that it was due to the collaboration with several other agencies interested in MWD budget cuts that drove the position for lower rates and a reduced budget. The delegates reported on other discussions and actions taken at the recent MWD board meetings.

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

Director Knutson did not have comments.

2-B Colorado River Programs Quarterly report.

Ms. Razak discussed the environmental mitigation projects for the Coachella Canal Lining Project and the All American Canal Lining Project, as well as the binational cooperative process.

III. INFORMATION

The following items were noted and filed.

1. Bay-Delta Quarterly update.
2. Metropolitan Water District Program report.

The committee went into closed session at 1:34 p.m.

IV. CLOSED SESSION

1. CLOSED SESSION:
Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(a)
Name of case: QSA Judicial Council Coordination
Proceeding No. 4353
2. CLOSED SESSION:
Conference with Legal Counsel – Potential Litigation
Government Code §54956.9(b)

Mr. Hentschke stated that the actions taken in closed session were not reportable.

V. ADJOURNMENT

There being no further business to come before the Imported Water Committee, Chair McMillan adjourned the meeting at 3:15 p.m.

FORMAL BOARD OF DIRECTORS' MEETING OF APRIL 22, 2010

1. **CALL TO ORDER** Vice Chair Watton called the Formal Board of Directors' meeting to order at 3:22 p.m.
2. **SALUTE TO THE FLAG** Director Ferguson led the salute to the flag.

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

Secretary Wornham called the roll. Directors present were Arant, Barrett, Blackburn, Bond, Croucher, Dailey, Dion, Ferguson, Hilliker, Hogan, Jungreis, Knutson, Lewinger, Linden, McIntosh, McMillan, Morrison, Muir, Pocklington, Price, Saunders, Saxod, Smith, Steiner, Watton, Wight, H. Williams, and Wornham. Directors absent were Bowersox, Lewis, Martin, Mudd, Parker, Petty, Tu, K. Williams and Representative Slater-Price.

3-A **Report on proxies received.** Director Bond was the proxy for Director Martin.

4. **ADDITIONS TO AGENDA** There were no additions to the agenda.

5. **APPROVAL OF MINUTES** Director Smith moved, Director Ferguson seconded, and the motion carried at 91.96% of the vote to approve the minutes of the Formal Board of Directors' meeting of March 25, 2010.

6. **OPPORTUNITY FOR MEMBERS OF THE PUBLIC WHO WISH TO ADDRESS THE BOARD ON MATTERS WITHIN THE BOARD'S JURISDICTION**

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

7. **PRESENTATIONS AND PUBLIC HEARINGS**

7-A Presentation of Science Fair award winners.

Education Programs Supervisor Golakoff introduced the Science Fair award winners who provided a brief description of their projects.

8. **REPORTS BY CHAIRS**

8-A **Chair's report.** Vice Chair Watton announced Chair Lewis was not feeling well and stated the Board hoped he would be feeling better soon.

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

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

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

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

Administrative and Finance Committee. Director Hogan reviewed the committee meeting and actions taken.

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

9. **CONSENT CALENDAR**

Director Croucher moved, Director Dailey seconded, and the motion carried at 91.96% of the vote to approve the consent calendar.

9- 1. Coordination of Regional Surface Water Storage Reservoirs.

The Board directed staff to work with member agencies that own and operate local reservoirs and use existing local agency operations as a base line to identify and integrate strategic opportunities to maximize and optimize Water Authority and local agency storage for long term carryover and seasonal peak aqueduct demand management purposes and incorporate appropriate actions in the updated 2012 Water Facilities Master Plan.

9- 2. Approve proposed procedures for implementation of San Diego County Water Authority's Annexation Policy #2: Protection of Member Agency Supply Reliability.

The Board approved the proposed procedures for implementation of San Diego County Water Authority's Annexation Policy #2: Protection of Member Agency Supply Reliability.

9- 3. Memorandum of Understanding with the Marine Corps Base Camp Pendleton for planning activities related to the Camp Pendleton Seawater Desalination Project.

The Board approved a Memorandum of Understanding between the Water Authority and Marine Corps Base Camp Pendleton for the performance of planning activities for the Camp Pendleton Seawater Desalination Project.

9- 4. Award professional services contract to A&N Technical Services Inc., Aquacraft Inc., and Winzler & Kelly for as-needed water conservation program evaluation and planning services.

The Board awarded three individual three-year professional services contracts with two-year extension options in the amount of \$305,000 to A&N Technical Services, \$161,000 to Aquacraft, and \$170,000 to Winzler & Kelly for a not-to-exceed total of \$636,000 to provide as-needed water conservation program evaluation and planning services.

Director Arant abstained.

9- 5. Adopt positions on various state and federal bills.

The Board adopted positions of Support on HR 4225 (Costa), AB 1677 (Caballero), AB 2277 (Fletcher), and SB 1478 (Natural Resources & Water Committee), Support, if amended, on SB 1469 (Simitian), and Oppose on AB 2422 (T. Berryhill).

- 9- 6. Professional services contracts for as-needed structural engineering services.
The Board authorized the General Manager to award two separate three-year professional services contracts in the amount not-to-exceed \$250,000 each to Simon Wong Engineering and Tetra Tech for as-needed structural engineering services.

Director Saunders abstained.
- 9- 7. Construction contract for the San Vicente Dam Raise Package 3 – Roller Compacted Concrete Dams and Appurtenant Facilities project.

The Board rejected all bid protests. The Board ratified Shimmick Construction Company Inc./Obayashi Corporation A Joint Venture’s substitution of pipe manufacturer and supplemental bid information. The Board authorized the General Manager to award a construction contract to Shimmick/Obayashi in the amount of \$140,206,050 for the San Vicente Dam Raise Package 3 – Roller Compacted Concrete Dams and Appurtenant Facilities.
- 9- 8. Professional services contract to GEI Consultants, Inc. for Package 4-San Vicente Bypass Pipeline project.
The Board authorized the General Manager to award a professional services contract for \$2,257,000 to GEI Consultants, Inc., for design of the San Vicente Bypass Pipeline project.
- 9- 9. Treasurer’s report.
The Board noted and filed the monthly Treasurer’s report.
- 9-10. Application for grant funding under the Bureau of Reclamation Water SMART Program: Water and Energy Efficiency Grants for FY2010.
The Board adopted **Resolution No. 2010-02** 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.
- 9-11. Authorize amendment to agreement regarding Water Authority proportionate share of funding for the Colorado River Board.
The Board authorized the General Manager to execute an amendment to the joint powers agreement extending the existing agency proportional funding shares.

10. **ACTION/DISCUSSION**

There were no items under Action/Discussion.

11. **CLOSED SESSION(S)**

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

11-A **CLOSED SESSION:**

Conference with Legal Counsel – Existing Litigation

Government Code §54956.9(a)

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

11-B **CLOSED SESSION:**

Conference with Legal Counsel – Potential Litigation

Government Code §54956.9(b) – One Case

11-C **CLOSED SESSION:**

Conference with Legal Counsel – Significant threat of litigation

Government Code §54956.9(b) – San Vicente Dam Raise bid award

12. **Action following Closed Session if needed.**

No Action was needed.

13. **SPECIAL REPORTS**

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

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

13-C SANDAG REPORT – Director Muir provided the report.

SANDAG BORDERS/REGIONAL PLANNING COMMITTEE – No report was given.

13-D AB 1234 COMPLIANCE REPORTS – No reports were given.

14. **OTHER COMMUNICATIONS - None.**

15. **ADJOURNMENT**

There being no further business to come before the Board, Vice Chair Watton adjourned the meeting at 3:41 p.m.

Mark W. Watton, Vice Chair

Thomas V. Wornham, Secretary

Doria F. Lore, Clerk of the Board

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SAN DIEGO COUNTY WATER AUTHORITY
HONORING JOSEPH PARKER
UPON HIS RETIREMENT FROM THE BOARD OF DIRECTORS

WHEREAS, Joseph Parker served as a member of the Board of Directors of the San Diego County Water Authority, representing the city of San Diego. His first term was 1977 to 1983, and his present term was from May 15, 1986 to his retirement on April 23, 2010; and

WHEREAS, he served as Chairman of the Board of Directors between 1999-2000; and

WHEREAS, he served as Chair on the Executive Committee, and as Vice-Chair on the Administrative and Legal Committee, Executive Committee, and Imported Water Committee, and as a member on the Administrative and Finance Committee, Administrative and Legal Committee, Engineering and Operations Committee, Executive Committee, Imported Water Committee, Planning and Environmental Committee, Water Planning Committee, and Water Policy Committee; and

WHEREAS, he served as Chair on the Board Compensation Subcommittee, and as a member on the AD HOC Committee on Board Compensation, AD HOC MWD Budget Review Committee, Administrative Code Recodification Subcommittee, Audit Subcommittee, Board Representation AD HOC, Chairman's Water Advisory Committee, Confidential Information Subcommittee, Conservation AD HOC, Rate Study Subcommittee, Small Contractor Outreach and Opportunities Program, Special Budget Committee, Strategic Plan AD HOC, and Water Transfer Action Committee; and

WHEREAS, he has served on Metropolitan Water District of Southern California (MWD) Board of Directors since 1993; and

WHEREAS, his contributions to the community extend beyond the activities with the San Diego County Water Authority; and

WHEREAS, his service, both public and private, has resulted in benefit to all people of San Diego County.

NOW, THEREFORE, BE IT RESOLVED, that on behalf of its individual members, past and present, its staff, and the people of San Diego County, the Board of Directors offers its most sincere appreciation to Joseph Parker for his dedicated service to the San Diego region.

PASSED, APPROVED, and ADOPTED this 27th day of May, 2010.

Ayes:

Noes:

Abstain:

Absent:

Claude A. Lewis,
Chair

ATTEST:

Thomas V. Wornham,
Secretary

I, Doria F. Lore, Clerk of the Board of the San Diego County Water Authority, certify that the vote shown above is correct and this Resolution No. 2010- _____ was duly adopted at the meeting of the Board of Directors on the date stated above.

Doria F. Lore
Clerk of the Board



San Diego County Water Authority

DATE: May 19, 2010
TO: Board of Directors
FROM: Daniel S. Hentschke, General Counsel
RE: Credentials of Lynne Heidel
City of San Diego

Transmitted herewith is a copy of Resolution No. 305777 submitted by the city of San Diego appointing Lynne Heidel to the Water Authority's Board of Directors. Her term will expire on March 7, 2016.

The credentials furnished are sufficient for the qualifications of Ms. Heidel as a member of the Water Authority Board.

A handwritten signature in blue ink, appearing to read "D. Hentschke", written over a horizontal line.

Daniel S. Hentschke
General Counsel

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Attachment

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RESOLUTION NUMBER R- 305777
DATE OF FINAL PASSAGE APR 23 2010

WHEREAS, the San Diego County Water Authority Board of Directors [Board] is the governing body responsible for the oversight and allocation of the region's imported water supply; and

WHEREAS, the Board also advises on the diversification of the region's water supply portfolio, optimization of facilities, and development of local resources to ensure a safe and reliable water supply to its twenty-four member agencies; and

WHEREAS, the City of San Diego has ten representatives to the Board, all of whom are appointed by the Mayor and confirmed by the Council; and

WHEREAS, each Board member is appointed to a six-year term and serves until a successor is appointed and qualified; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that the following appointment by the Mayor of the City of San Diego, to serve as a member of the San Diego County Water Authority Board of Directors, for the term ending as indicated herein, be and the same is hereby confirmed:

NAME	TERM ENDING
Lynne Heidel (Rancho Santa Fe) (Appointment, replacing Dr. Joseph Parker, who is termed out)	March 7, 2016

BE IT FURTHER RESOLVED, that pursuant to Council Policy 000-13, for purposes of deliberation and consideration of appointment, it is determined that Lynne Heidel is a resident of San Diego County, but not the City of San Diego, and has unique qualifications to serve as a member of the Commission, therefore, a conscious exception to Council Policy 000-13 is hereby declared.

APPROVED: JAN I. GOLDSMITH, City Attorney

By Rachel C. Lipsky
Rachel C. Lipsky
Deputy City Attorney

RCL:sc
04/7/10
Or.Dept:Mayor
R-2010-736

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of APR 20 2010

ELIZABETH S. MALAND
City Clerk

By [Signature]
Deputy City Clerk

Approved: 4-23-10
(date)

[Signature]
JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor

May 19, 2010

Attention: Board of Directors

General Counsel's Report – April/May 2010

Purpose

This report discusses certain legal matters receiving attention during the months of April/May 2010.

Significant Developments in Pending Litigation

QSA Litigation. On May 7, 2010, the court of appeal issued a writ of supersedeas staying enforcement of the Sacramento County Superior Court judgment of February 11, 2010 pending the finality of its decision on the appeals. The court also set the briefing schedule and, on its own motion, determined to expedite the appeal. The appellants' opening briefs are due 40 days after the reporter's transcript is filed.

Delta Litigation. On May 18, 2010, U.S. District Court Judge Oliver Wanger ruled in favor of the Central Valley Project and State Water Project contractors in their challenge to the biological opinion that imposed pumping restrictions imposed to protect threatened and endangered salmon species. The ruling was on a motion for preliminary injunction, and is not a final decision on the merits. The final decision will come later when the court rules on motions for summary judgment. The judge found that the water contractors were likely to succeed on the merits of their claim that the federal government had violated the Endangered Species Act by failing to use the best available science with respect to certain BiOp restrictions, and had violated the National Environmental Policy Act (NEPA) by not exploring whether there were other protective measures that were equally effective in protecting salmon but had a lesser impact on humans and the human environment. A further hearing on the injunction was set for May 19. The State Water Contractors and Metropolitan Water District staff and lawyers are reviewing the ruling to determine its affects on SWP and CVP operations. This is a ruling on the salmon BiOp only, and a similar challenge to the Delta smelt BiOp is pending. Staff will provide a more detailed report during the Imported Water Committee meeting.

Special Counsel Expenditures

Funds approved for payments to special counsel during April-May 2010 from the General Counsel's Operating Budget totaled \$4,978.80 for work related to Atlanta-Deluca litigation and trademarks. CIP expenditures during April-May 2010 were \$38,325.33 for work related to San Vicente, Olivenhain-Lake Hodges, TOV WTP and Traylor-Shea Joint Venture. The combined payments for fiscal year 09/10 from the Operating Budget for legal services are \$1,937,069.99. The combined payments for fiscal year 09/10 from the CIP Budget for legal services are \$963,899.80.

Prepared by: Daniel S. Hentschke

Attachment: Special Counsel Expenditure Report

**General Counsel's Office
Special Counsel Expenditure Report
(April-May 2010)**

Special Counsel	Project	Total \$ Expended FYs 08 & 09 (Fees & Costs)	GC OP Budget Invoices Approved for Pmt. this Period	CIP Budget Invoices Approved for Pmt. this Period	Total \$ Expended FYs 10 & 11 (Fees & Costs)	Budget Allocation FYs 10 & 11 for Legal Services <u>\$1,900,000.00</u>
Bayerisch Landesbank	<i>Commercial Paper Notes, Series I *</i>	\$3,000.00 (OP)				
Best, Best & Krieger	<i>EEOC Claim *</i>	\$5,719.00 (OP)				
	<i>Personnel Issues *</i>	\$691.70 (OP)				
Brownstein, Hyatt, Farber, Schreck	IID/SDCWA Transfer	\$5,592.22 (OP)			\$12,751.60 (OP)	
	General Legal Matters (As Assigned)	\$14,482.37 (OP)			\$5,973.81 (OP)	
	QSA Litigation	\$1,629,568.85 (OP)			\$1,519,230.78 (OP)	
	Federal Clean Air Act Challenge / QSA				\$3,210.40 (OP)	
	Audit Letter	\$1,845.18 (OP)			\$516.71 (OP)	
	POWER v. IID ¹	\$22,598.70 (CIP)				
	<i>POWER II¹ *</i>	\$51,399.18 (CIP)				
	POWER III ¹	\$2,035.90 (CIP)				
	Drought Management Plan Transfer	\$28,207.29 (OP)				
Price Reset	\$12,150.43 (OP)			\$257,668.39 (OP)		
Chapman and Cutler	<i>Commercial Paper Notes, Series I *</i>	\$20,000.00 (OP)				
Culantuono & Levin	Metropolitan Rates				\$18,525.00 (OP)	
Daley & Heft	SDCWA v. Atlantica/Deluca	\$15,862.59 (OP)	\$660.00		\$7,582.90 (OP)	
	SDCWA v. NIAC	\$60,376.30 (OP)			\$16,451.54 (OP)	
Don Detisch, Law Offices of	<i>Lake Hodges Project *</i>	\$1,650.66 (CIP)				
Duncan & Allen	<i>Rancho Penasquitos Pressure Control Hydroelectric Facility Project *</i>	\$735.00 (CIP)			\$75.00 (CIP)	
	San Vicente FERC Project	\$2,758.00 (CIP)		\$300.00	\$2,700.00 (CIP)	
	Olivenhain/Lake Hodges FERC Proj.	\$35,354.00 (CIP)			\$4,088.11 (CIP)	
Frank, Lynn S. (Mediator)	TOV WTP				\$9,000.00 (CIP)	
Hanson Bridgett	Employee Benefits	\$48,103.89 (OP)				

* Concluded matters or assignments.

Special Counsel	Project	Total \$ Expended FYs 08 & 09 (Fees & Costs)	GC OP Budget Invoices Approved for Payment this Period	CIP Budget Invoices Approved for Payment this Period	Total \$ Expended FYs 10 & 11 (Fees & Costs)	Budget Allocation FYs 10 & 11 for Legal Services \$1,900,000.00
Hawkins, Delafield & Wood	<i>Proposed Desalination Proj. *</i>	\$1,349.50 (CIP)				
	<i>TOV WTP *</i>	\$127,487.76 (CIP)				
JAMS	Olivenhain Mediation	\$7,842.57 (OP)			\$2,127.71 (OP)	
	IID Arbitration				\$76,687.50 (OP)	
Jenkins & Hogin	<i>Conflict of Interest / Open Meeting Law Compliance *</i>	\$11,522.50 (OP)				
Liebert Cassidy Whitmore	<i>Personnel Issue *</i>	\$61,554.48 (OP)				
Mandell Municipal Counseling	<i>Capacity Charge Matter *</i>	\$1,476.00 (OP)				
McKenna Long & Aldridge	<i>Moreno Lakeside Pipeline - Construction contract- Hartford v. SDCWA *</i>	\$98,367.45 (CIP)				
	<i>Adams Valves v. SDCWA *</i>	\$4,362.10 (CIP)				
	TOV WTP	\$300,408.57 (CIP)		\$1,257.14	\$744,982.10 (CIP)	
	<i>Coachella Canal Lining Project *</i>	\$2,398.48 (CIP)				
	Audit Letter	\$638.50 (OP)				
	<i>San Vicente Pump Station *</i>	\$1,653.00 (CIP)				
	Olivenhain-Lake Hodges Pump House	\$162,856.21 (CIP)		\$30,767.39	\$79,134.40 (CIP)	
Orrick Herrington & Sutcliff LLP	Bond counsel services ¹	\$76,788.61 (OP)			\$1,864.74 (OP)	
Pillsbury Winthrop Shaw Pittman	<i>Terminal Pay Plans *</i>	\$48,545.26 (OP)			\$3,940.54 (OP)	
Procopio Cory Hargreaves & Savitch	Traylor/Shea Joint Venture (TSJV)	\$215,306.41 (CIP)		\$4,431.30	\$72,448.87 (CIP)	
	Multiple Tunnel Shift Pay			\$1,569.50	\$5,331.50 (CIP)	
Richards Watson & Gershon	Water Conveyance Dispute	\$148,617.63 (CIP)			\$46,139.82 (CIP)	
Shearman & Sterling	<i>Commercial Paper Notes, Series I *</i>	\$9,000.00 (OP)				
Townsend	<i>Trademark</i>		\$4,318.80		\$10,538.37 (OP)	
Total:		\$2,062,967.74 (OP)	\$4,978.80	\$38,325.33	\$1,937,069.99 (OP)	Budget Remaining in FYs 10 & 11 (\$37,069.99)
		\$1,179,338.55 (CIP)			\$963,899.80 (CIP)	

* Concluded matters or assignments.