



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.

March 25, 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 meeting of the Administrative and Finance Committee of February 11, 2010 and the Formal Board of Directors' meeting of February 25, 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 John Johnson upon his retirement from the Board of Directors.
 - 7-B Appointment of Director. Vincent Mudd representing city of San Diego. Term expires January 2, 2016.
 - 7-C Reappointment of Director. Reappointment of Elsa Saxod, representing city of San Diego. Term expires February 7, 2016.
8. **REPORTS BY CHAIRS**
 - 8-A Chair's report – Chair Lewis
 - 8-B Report by Committee Chairs

Engineering and Operations Committee	Director Arant
Water Planning Committee	Director Saunders
Administrative and Finance Committee	Director K. Williams
Legislation, Conservation and Outreach Committee	Director Dailey
Imported Water Committee	Director McMillan



9. CONSENT CALENDAR

- 9- 1. Notice of Completion for the Bulkhead Installation on Pipeline 3 at Miramar Hill and San Diego 5 Turnout.
Authorize the General Manager to accept the Bulkhead Installation on Pipeline 3 at Miramar Hill and San Diego 5 Turnout project as complete, record the Notice of Completion, and release funds held in retention to Kaveh Engineering and Construction, Inc., following expiration of the Notice of Completion period.
- 9- 2. Approve settlement agreement with Olivenhain Municipal Water District and City of San Diego relating to Lake Hodges and Olivenhain Reservoir.
Authorize the General Manager and General Counsel to execute and implement the settlement agreement. Direct the General Manager to establish the OMWD Settlement Project within the Capital Improvement Budget, and execute a budget transfer of \$13,500,000 from the San Vicente Dam Raise Project to the OMWD Settlement Project.
- 9- 3. Change Orders to Barnard Construction Company, Inc. for the Package 2 San Vicente Foundation Preparatory Work project.
Accept change orders 1 through 5 for \$434,626; authorize the General Manager to execute change orders for up to \$2,324,000 to revise unit price bid items to address field conditions encountered at the foundation excavations increasing the construction contract amount to \$26,508,126.
- 9- 4. Agreement with the city of San Diego for use of reservoir storage capacity.
Authorize the General Manager to sign an agreement for reservoir storage capacity with the city of San Diego. This agreement allows the Water Authority to maintain regional carryover storage in City reservoirs until the San Vicente Dam Raise is complete.
- 9- 5. Approve revised M&I allocation targets.
Approve revised M&I allocation targets for remainder of fiscal year 2010 due to opt-outs from Interim Agricultural Water Program and Special Agricultural Water Rates.
- 9- 6. Make determination to proceed with short-term pilot water transfer for up to 1,250 acre-feet between San Juan Water District, Santa Clara Valley Water District and the San Diego County Water Authority.
Authorize the General Manager to enter into an agreement with Santa Clara Valley Water District and San Juan Water District to purchase up to 1,250 acre-feet for an amount not to exceed \$753,000 under a pilot water transfer.



- 9- 7. Authorize the General Manager to not exercise the Water Authority’s call rights to the 2010 dry-year transfer with the South Feather Water and Power Agency.
Authorize the General Manager to not exercise the Water Authority’s call rights to the 2010 dry-year transfer with the South Feather Water and Power Agency.
- 9- 8. Treasurer’s report.
Note and file the monthly Treasurer’s report.
- 9- 9. Approve Special Agricultural Water Rate Workgroup Board recommendation on Revised Special Agricultural Water Rate Program.
Approve the Special Agricultural Water Rate Board Workgroup recommendations as included in their March 12, 2010 Findings and Recommendations.
- 9-10. Adopt legislative positions.
Adopt positions of:
 1. Support on AB 1929 (Hall)
 2. Support on AB 1975 (Fong)
 3. Oppose on AB 2049 (Arambula)
 4. Oppose, unless amended, on AB 2092 (Huffman)
 5. Support on AB 2336 (Fuller)
 6. Support on SB 808 (Wolk)
 7. Support, if amended, on SB 918 (Pavley).
- 9-11. Adopt a position of Support on the Clean Renewable Water Supply Act of 2009 (H.R. 4132 and S. 1371).
Adopt a position of Support on the Clean Renewable Water Supply Act of 2009 (H.R. 4132 and S. 1371).
- 9-12. Stormwater Legislative Policy Guidelines.
Adopt revised legislative policy guidelines.
10. ACTION / DISCUSSION
11. CLOSED SESSION(S)
- 11-A. CLOSED SESSION:
Conference with Legal Counsel - Potential Litigation
Government Code §54956.9(b)(1) – significant exposure to litigation
OMWD – Lake Hodges Water Quality Allegations
- 11-B. 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

12. Action following Closed Session.

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.



**MINUTES OF THE SPECIAL MEETING OF THE
ADMINISTRATIVE AND FINANCE COMMITTEE**

February 11, 2010

1. **Call to Order/ Roll call – determination of a Quorum**

Chair K. Williams called the meeting to order at 1:30 p.m. Committee members present were Vice Chairs Hogan and Price, and Directors Bond, Bowersox, Dion, Hilliker, Lewis, Pocklington, Steiner, Wight, and H. Williams. Committee members absent were Smith and Wornham. There was a quorum of the Committee. Other Board members present were Blackburn, Arant, Barrett, Blackburn, Dailey, Ferguson, Hogan, Johnson, Jungreis, Knutson, Lewinger, Linden, McMillan, Saunders, Saxod, and Watton.

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, and Director of Human Resources Leone.

2. **Public comment**

Mr. Buckley of La Mesa addressed the Committee.

Mr. Hentschke took the Committee into Closed Session at 1:35 p.m.

3. **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

Mr. Hentschke brought the Committee out of Closed Session at 3:30 p.m. and stated there was no reportable action.

4. **Adjournment**

There being no additional business to come before the Board, Chair Williams adjourned the meeting at 3:30 p.m.

Ken Williams, Chair

**MINUTES OF THE FORMAL BOARD OF DIRECTORS' MEETING
FEBRUARY 25, 2010**

ENGINEERING AND OPERATIONS COMMITTEE

CALL TO ORDER/ROLL CALL

Chair Arant called the Engineering and Operations Committee to order at 9:00 a.m. Committee members present were Vice Chairs Johnson and Smith, Directors Bowersox, Ferguson, Hogan, Knutson, McIntosh and Saunders. Directors absent were Barrett, Jungreis, and Morrison. At that time there was a quorum of the Committee. Director Pocklington arrived at 9:10 a.m. and Director Wornham arrived at 9:24 a.m. Other Board members present were Directors Dailey, Dion, Lewis, McMillan, Petty, Price, Saxod, Tu, and H. Williams. Other Board members arriving after 9:00 a.m. were Directors Blackburn, Bond, Lewinger, Linden 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 Managers Belock and Kerl, Director of Engineering Stiff, Acting Director of Right of Way Busch, Operations and Maintenance Manager Stine, Engineering Manager Bousquet, Special Projects Manager Stewart, Right of Way Supervisor Brierton and Engineer P.E. Whitaker. Assistant General Manager Cushman arrived at 9:06 a.m.

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 Arant announced two awards received for the Twin Oaks Valley Water Treatment Plant and announced the Engineering and Operations Committee Tour had been scheduled for Wednesday, May 12, 2010.

I. CONSENT CALENDAR

1. Notice of Completion for San Vicente Pumping Facilities project.
Staff recommendation: Authorize the General Manager to accept the San Vicente Pumping Facilities project as complete, record the Notice of Completion, and release funds held in retention to Kiewit Pacific Co. following the expiration of the notice of completion period.

2. Award professional services contract to Dudek for plan review services.
Staff recommendation: Authorize the General Manager to award a three-year as-needed professional services contract to Dudek to provide as-needed right of way plan review and engineering services for an amount not-to-exceed \$1,300,000.

Director Knutson moved to approve the consent calendar, Vice Chair Smith seconded, and the motion passed unanimously.

II. ACTION/DISCUSSION

1. Power Purchase agreement with Borrego Solar Systems, Inc. for three Solar Power Projects.
Staff recommendation: Authorize the General Manager to complete negotiations and execute Power Purchase agreements with Borrego Solar Systems, Inc. for three solar power projects in accordance with Alternative 1.

Director Lewinger made a request that Alternative 1 be subject to an express contract term that the Water Authority will not pay a greater rate than it would have otherwise paid to San Diego Gas & Electric for the same quantity of energy.

Director Ferguson moved to approve staff's recommendation with the inclusion of Director Lewinger's request, Vice Chair Johnson seconded and the motion passed unanimously.

2. Lake Hodges Projects.
 - 2-A Lake Hodges Projects update.
 - 2-B Change Orders to Archer Western for the ESP – Lake Hodges Pump Station and Inlet/Outlet Structure project.
Staff recommendation: Accept Archer Western Change Orders 32 through 34 for \$351,603; and authorize the General Manager to execute a change order for an amount not-to-exceed \$400,000 for final water proofing, increasing the contract amount to \$73,422,459.
 - 2-C Construction contract with Native Landscape, Inc. for ESP – Lake Hodges Pumped Storage Facility Landscaping.
Staff recommendation: Authorize the General Manager to award a construction contract to Native Landscape, Inc. in the amount of \$199,755.20 for revegetation of areas disturbed by construction activities around the Lake Hodges projects.

Mr. Belock had opening comments and gave the floor to Mr. Bousquet who provided a presentation regarding items 2-A through 2C. There were a few questions from the Committee and Board.

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

III. INFORMATION

There were no Information items on the agenda.

IV. CLOSED SESSION

The Committee went into Closed Session at 9:27 a.m.

1. CLOSED SESSION:

Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(a)
Name of Case: CH2M Hill Constructors, Inc. v.
San Diego County Water Authority,
San Diego Superior Court –
Case No. 37-2008-00089483-CU-BC-CTL

The Committee reconvened at 9:55 a.m. Mr. Hentschke stated that the Committee unanimously approved the settlement agreement that had been negotiated with CH2MHill and that would be placed on the Board Consent Calendar. CH2MHill had already executed the settlement agreement.

V. ADJOURNMENT

There being no further business to come before the Engineering and Operations Committee, Chair Arant adjourned the meeting at 9:56 a.m.

IMPORTED WATER COMMITTEE
CALL TO ORDER / ROLL CALL

Chair McMillan called the Imported Water Committee to order at 10:04 a.m. Committee members present were Directors Blackburn, Bond, Knutson, Lewinger, Linden, McIntosh, Petty, Price, Saxod, and Tu. Directors Croucher, Martin, Parker, and Wight were absent. Also present were Directors Arant, Bowersox, Dailey, Dion, Ferguson, Hilliker, Hogan, Jungreis, Johnson, Lewis, Pocklington, Saunders, Smith, Steiner, 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 Managers Belock and Kerl, Assistant General Manager Cushman, MWD Program Chief Chen, Colorado River Program Director Razak, 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 reported that the Bay Delta Conservation Plan would focus further study and analysis on a tunnel under the Delta as an option for restoring the ecosystem and assuring reliable water supplies. He discussed the QSA JPA, which recently met to review the status of 40 projects and activities with a budget of over \$14 million for this fiscal year. He stated that the New Water Sources workgroup met recently to discuss seawater desalination and water recycling projects. The workgroup was part of a binational cooperative process that included the seven basin states, the International Boundary and Water Commission and Reclamation, and local, state, and federal representatives from Mexico.

4-A Director's comments.

There were no Director's comments.

I. CONSENT CALENDAR

There were no items on the consent calendar.

II. ACTION/DISCUSSION

1. MWD Issues and Activities update.

1-A Metropolitan Water District's Delegates report.

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

1-B Metropolitan Water District's Long-term Conservation Plan.

Water Policy Manager Westford gave an update on MWD's long-term conservation plan and its 2010-2011 conservation program. She reviewed the program's proposed budget for fiscal year 2010-2011 of \$20.8 million, and discussed how rate increases and changed water supply conditions would affect the development of the long-term plan.

Following her presentation, directors asked questions and made comments related to the funding of the conservation plan in a high-rate environment.

2. Colorado River Programs.

2-A Colorado River Board representative's report.

Director Knutson stated that precipitation for the Colorado River Basin was about 83 percent of average, and that the projected runoff into Lake Powell would be at 74 percent this year. He said that an additional 2.2 maf release from Lake Powell into Lake Mead to equalize the reservoirs would not happen as expected this spring.

III. INFORMATION

The following item was noted and filed:

1. Metropolitan Water District Program report.

The Committee went into closed session at 10:40 a.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

Mr. Hentschke stated that there was no reportable action taken in closed session.

V. ADJOURNMENT

There being no further business to come before the Imported Water Committee, Chair McMillan adjourned the meeting at 10:50 a.m.

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

Chair Saunders called the Water Planning Committee to order at 11:05 a.m. Committee members present were Vice Chairs Ferguson and Petty, Directors, Dailey, Lewinger, Lewis, Linden, McMillan, Steiner, and Watton. Directors absent were Barrett, Martin, Muir, Parker and Watton. Other Board members present were Directors Arant, Blackburn, Bond, Bowersox, Croucher, Dion, Hilliker, Hogan, Johnson, Jungreis, McIntosh, Pocklington, Price, Saxod, Smith, H. Williams, K. Williams 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 Belock and Kerl, Assistant General Manager Cushman, Director of Water Resources Weinberg, Special Projects Manager Stewart, 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

The NCCP/HCP public hearings were scheduled for the evenings of March 17, 2010 at the Water Authority Headquarters and March 18, 2010 in Escondido at the Civic Center. The Board would be provided with information in the coming weeks; a quorum of the Committee is required.

Chair Saunders provided an update on the Carlsbad Desalination project. He stated there would be several items on the March 25, 2010 Board meeting relating to this project.

DIRECTORS' COMMENTS

There were no Directors' comments.

I. CONSENT CALENDAR

There were no Consent items.

II. ACTION/DISCUSSION

1. Water Supply conditions.

Ms. Dobalian briefed the Board on the current supply conditions including a 3-month precipitation outlook, MWD storage reserves end of year balances and a comparison of local reservoir storage levels.

2. Coordination of Regional Surface Water Storage Reservoirs.

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

Director Steiner moved to direct staff to work with member agencies and other stakeholders to develop a Strategic Long-Range Plan for Surface Storage in the San Diego region that comprehensively reviews the viability of the region's drinking water reservoirs and related system; identifies opportunities for optimizing local yield from the reservoirs with potential improvements in infrastructure, operations and policies; identifies strategies for optimizing storage of imported and locally produced water to enhance water supply reliability and manage peak demands; and, develop guiding principles for the long-term utilization of the region's reservoirs. This Strategic Plan

will be completed by December 31, 2011, so that it could be incorporated in the Water Authority's 2012 update of the Regional Water Facilities Master Plan.

Vice Chair Ferguson moved a substitute motion to continue the item to the next Committee meeting. Director Dailey seconded and the motion to continue passed.

III. INFORMATION

1. Presentation on the Water Utility Climate Alliance release of Decision Support Planning methods White Paper.

Ms. Stewart provided information on the Water Utility Climate Alliance's activities related to the release of the white papers and noted that the Water Authority would use one of the decision tools described in the White Paper in preparing the 2010 Urban Water Management Plan.

The following Information items were noted and filed:

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

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 12:05 p.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 Chair Hogan and Price, Directors Bond, Bowersox, Dion, Hilliker, Lewis, 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, Director of Human Resources Leone, Controller Wade, and Budget & Analysis Manager Celaya.

ADDITIONS TO AGENDA

There were no additions to the agenda, however Chair Williams announced the Board would cover the closed session item first.

PUBLIC COMMENT

There were no members of the public who wished to address the committee.

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.

There was no reportable action out of closed session.

CHAIR'S REPORT

Chair Williams provided a brief update on the activities of the Special Agricultural Water Rate Committee (SAWR) and reviewed the five basic components; 1) to maintain exemption from the storage charge, 2) discontinue the supply discount, 3) eligibility criteria to remain consistent with existing programs, 4) Ag customers participating in the program would provide a 3-year commitment to remain in the program, 5) comprehensive formal review of the SAWR rate by the Board in 5 years. Chair Williams added that since January 2 meetings were held with the Ag industry reps to get input. The Ag reps from the Farm Bureau and the California Avocado Commission presented some options and expressed the hardship the Ag community is facing due to extensive cutbacks and current water rate increases. One of the options presented from the Ag reps and the Valley Center Municipal Water District was to keep the current Transitional Special Agricultural Water Rate until Metropolitan Water District terminates their Interim Agricultural Water Program on December 31, 2012. Chair Williams announced a workgroup meeting was scheduled for mid-March, and would provide a final recommendation at the March board meeting.

DIRECTORS' COMMENTS

Director McMillan requested clarification of the terminology, specifically on cost flows. Chair Williams agreed to provide at the March board meeting.

I. CONSENT CALENDAR

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

Director Pocklington moved, seconded by Director Bond, and the motion passed unanimously to approve the consent calendar.

ACTION/DISCUSSION

There were no action items this month.

III. INFORMATION

The following items were received and filed:

1. Presentation on update on water sales revenue and discussion of mitigation strategies.

Ms. Celaya provided a brief presentation and answered questions.

2. Controller's report on monthly financial statements.
3. Board calendar.

IV. CLOSED SESSION

1. 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

Mr. Hentschke took the Committee into Closed session at 1:05 p.m.

Mr. Hentschke brought the Committee out of Closed session at 2:10 p.m. and stated there was no reportable action.

V. ADJOURNMENT

There being no further business to come before the Administrative and Finance Committee, Chair Williams adjourned the meeting at 2:35 p.m.

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

Chair Dailey called the Legislation, Conservation and Outreach Committee to order at 2:43 p.m. Committee members present were Chair Dailey, Vice Chair Saxod, and Directors Arant, Blackburn, Croucher, Dion, Hilliker, Johnson, Jungreis, Tu, H. Williams, and K. Williams. Committee members absent were Vice Chair Morrison and Directors Muir and Watton. Also present were Directors Bond, Bowersox, Ferguson, Hogan, Lewinger, Lewis, Linden, McIntosh, McMillan, Petty, Pocklington, Saunders, Smith, 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 Belock and Kerl, Assistant General Manager Cushman, Director of Public Affairs Foster, Water Conservation Program Executive Rose, and Government Affairs Manager Volberg.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

Chair Dailey notified the committee that there was a speaker on Item 1-B under Action/Discussion, and requested the speaker, Catherine Hill from the League of California Cities, to wait until the item was addressed.

CHAIR'S REPORT

Chair Dailey stated that the 2010 Legislative Policy Guidelines on storm water management would be re-opened for discussion at the March LCO Committee meeting. She asked the Board to be present to voice their concerns.

Chair Dailey commended Director of Public Affairs Foster for a recent television appearance explaining that recent rains did not solve the region's supply challenges.

DIRECTORS' COMMENTS

Director Saxod requested that an update on the legislative alert program be included in the monthly government relations update report.

I. CONSENT CALENDAR

1. Adopt a position of Oppose on AB 1594 (Huber).
Staff recommendation: Adopt a position of Oppose on AB 1594 (Huber).

Director Tu moved, Director Johnson seconded, and the motion passed unanimously to adopt a position of Oppose on AB 1594 (Huber).

II. ACTION/DISCUSSION

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

Legislative Advocate Carpi reported on issues in Washington, D.C. Government Affairs Manager Volberg provided a presentation regarding Senator Feinstein's proposed amendment to water supply shortages, which included illustrations of different levels of Bay-Delta pumping restrictions. He advised that this information would be presented to the Bay-Delta group for further discussion.

- 1-B Adopt a position of Support on the Local Taxpayer, Public Safety and Transportation Protection Act of 2010.
Staff recommendation: Adopt a position of Support on the Local Taxpayer, Public Safety and Transportation Protection Act of 2010 proposed for the November 2010 state ballot.

Legislative Management Analyst Schnell provided background information regarding the Local Taxpayer, Public Safety and Transportation Protection Act of 2010. She stated that if it received enough signatures, it would be included in the November 2010 ballot.

Catherine Hill, Regional Public Affairs Director, League of California Cities, San Diego-Imperial Counties, explained the League's position on the proposed measure, and provided her contact information and number of signatures required to place this item on the November 2010 ballot.

Director Tu moved, Director Croucher seconded, and the motion passed unanimously to adopt a position of support on the Local Taxpayer, Public Safety and Transportation Protection Act of 2010.

2. Drought Management Communications.
- 2-A Regional Drought Management and Conservation Communications update.

Public Affairs Manager Vedder provided a presentation on conservation communications, including revisions of outreach materials to reflect current conditions.

III. INFORMATION

1. Water Conservation Garden report.
Director Bowersox advised that the first draft of the JPIA and Water Conservation Friends of the Garden report was being reviewed.

The following item was received and filed:

2. Government relations update.

IV. ADJOURNMENT

There being no further business to come before the Legislation, Conservation and Outreach Committee, Chair Dailey adjourned the meeting at 3:09 p.m.

FORMAL BOARD OF DIRECTORS' MEETING OF FEBRUARY 25, 2010

1. **CALL TO ORDER** Chair Lewis called the Formal Board of Directors' meeting to order at 3:15 p.m.
2. **SALUTE TO THE FLAG** Director Howard Williams led the salute to the flag.
3. **ROLL CALL, DETERMINATION OF QUORUM**
Secretary Wornham called the roll. Directors present were Arant, Blackburn, Bond, Bowersox, Croucher, Dailey, Dion, Ferguson, Hilliker, Hogan, Johnson, Jungreis, Lewinger, Lewis, Linden, McIntosh, McMillan, Petty, Pocklington, Saunders, Saxod, Smith, Steiner, Tu, Wight, H. Williams, K. Williams and Wornham. Directors absent were Barrett, Knutson, Martin, Morrison, Muir, Parker, Price, Watton and Representative Slater-Price.

3-A **Report on proxies received.** Director Croucher was the proxy for Director Muir and Watton, Director Pocklington was the proxy for Director Morrison.

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

5. **APPROVAL OF MINUTES** Director Smith moved, Director Wornham seconded, and the motion carried for a total of 94.71 % of the vote to approve the minutes of the Formal Board of Directors' meeting of January 28, 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 Recognition of Gina Molise, Senior Public Affairs Representative, employee of the 2nd quarter.

Ms. Molise was presented with her award.

8. **REPORTS BY CHAIRS**

8-A **Chair's report.** Chair Lewis reminded the Board of the upcoming Board Retreat/Workshop on Thursday, April 8th from 9:00 a.m. to 3:00 p.m. at the Otay Water District.

He reviewed a recent meeting he had attended at Camp Pendleton.

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

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

Imported Water Committee. Director McMillan reviewed the meeting. There were no actions taken.

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

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

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

9. **CONSENT CALENDAR**

Director Ferguson moved, Director Tu seconded, and the motion carried at 94.71% of the vote to approve the consent calendar.

- 9-1. Notice of Completion for San Vicente Pumping Facilities project.
The Board authorized the General Manager to accept the San Vicente Pumping Facilities project as complete, record the Notice of Completion, and release funds held in retention to Kiewit Pacific Co. following the expiration of the notice of completion period.
- 9-2. Award professional services contract to Dudek for plan review services.
The Board authorized the General Manager to award a three-year as-needed professional services contract to Dudek to provide as-needed right of way plan review and engineering services for an amount not-to-exceed \$1,300,000. Director Petty abstained on this item.
- 9-3. Power Purchase agreement with Borrego Solar Systems, Inc. for three Solar Power Projects.
The Board authorized the General Manager to complete negotiations and execute Power Purchase agreements with Borrego Solar Systems, Inc. for three solar power projects in accordance with Alternative 1, which states the starting rate of the power purchase agreement with a 3% escalator for the three sites is approximately \$0.1430/kWh, subject to an express contract term that the Water Authority will not pay a greater rate than it would have otherwise paid to San Diego Gas & Electric for the same quantity of energy. The power purchase agreement will convey ownership of the Renewable Energy Credits to Borrego Solar.
- 9-4. Change Orders to Archer Western for the ESP – Lake Hodges Pump Station and Inlet/Outlet Structure project.
The Board accepted Archer Western Change Orders 32 through 34 for \$351,603; and authorized the General Manager to execute a change order for an amount not-to-exceed \$400,000 for final water proofing, increasing the contract amount to \$73,422,459.
- 9-5. Construction contract with Native Landscape, Inc. for ESP – Lake Hodges Pumped Storage Facility Landscaping.
The Board authorized the General Manager to award a construction contract to Native Landscape, Inc. in the amount of \$199,755.20 for revegetation of areas disturbed by construction activities around the Lake Hodges projects.
- 9-6. Treasurer's report.
The Board noted and filed the monthly Treasurer's report.
- 9-7. Adopt a position of Oppose on AB 1594 (Huber).
The Board adopted a position of Oppose on AB 1594 (Huber).

- 9-8. Adopt a position of Support on the Local Taxpayer, Public Safety and Transportation Protection Act of 2010.
The Board adopted a position of support on the Local Taxpayer, Public Safety and Transportation Protection Act of 2010 proposed for the November 2010 state ballot.
- 9-9. The Board authorized the General Counsel and General Manager to execute the Settlement Agreement previously approved by CH2M Hill, funded with \$3.35 million from CIP and \$1.2 million from the Operating Budget, accept \$1.7 million payment from CH2M Hill into the General Fund, and direct implementation of the Settlement Agreement according to its terms.
10. **ACTION/DISCUSSION**
There were no items under Action/Discussion.
11. **CLOSED SESSION(S)**
Mr. Hentschke took the Board into Closed Session at 3:31 p.m. for item 11-C.
- 11-A. **CLOSED SESSION:**
Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(a)
Name of Case: CH2M Hill Constructors, Inc. v. San Diego County
Water Authority
San Diego Superior Court – Case No. 37-2008-00089483-CU-BC-CTL
- 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 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
- Mr. Hentschke brought the Board out of closed session at 3:45 p.m. and stated that there was no reportable action.
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 – No report was given.

SANDAG BORDERS/REGIONAL PLANNING COMMITTEE – Director Saxod reviewed the most recent meeting.

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, Chair Lewis adjourned the meeting at 3:48 p.m.

Claude A. Lewis, 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 JOHN W. JOHNSON
UPON HIS RETIREMENT FROM THE BOARD OF DIRECTORS

WHEREAS, John W. Johnson served as a member of the Board of Directors of the San Diego County Water Authority, representing the city of San Diego, from April 9, 1998 to his retirement on March 23rd, 2010; and

WHEREAS, he served as Chair on the Public Affairs Committee, and as Vice-Chair on the Engineering and Operations Committee, and Public Affairs 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, and Public Affairs Committee; and

WHEREAS, he served as Chair on the Small Contractor Outreach and Opportunity Program, and as a member on the AD HOC Committee on Board Compensation, AD HOC Committee on Committees, AD HOC Committee on EBE Program, Conservation AD HOC Committee, Construction Costs AD HOC Committee, Small Contractor Outreach and Opportunity Program, and Twin Oaks Treatment Plant AD HOC Committee; 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 John W. Johnson for his dedicated service to the San Diego region.

PASSED, APPROVED, and ADOPTED this 25th day of March, 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: March 17, 2010
TO: Board of Directors
FROM: Daniel S. Hentschke, General Counsel
RE: Credentials of Vincent Mudd
City of San Diego

Transmitted herewith is a copy of Resolution No. 305642 submitted by the city of San Diego appointing Vincent Mudd to the Water Authority's Board of Directors. His term will expire on January 2, 2016.

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



Daniel S. Hentschke
General Counsel

dfl

Attachment



San Diego County Water Authority

DATE: March 17, 2010
TO: Board of Directors
FROM: Daniel S. Hentschke, General Counsel
RE: Credentials of Elsa Saxod
City of San Diego

Transmitted herewith is a copy of Resolution No. 305642 submitted by the city of San Diego reappointing Elsa Saxod to the Water Authority's Board of Directors. Her term will expire on February 7, 2016.

The credentials furnished are sufficient for reappointment of Ms. Saxod on 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

dfi

Attachment

RESOLUTION NUMBER R-305642

DATE OF FINAL PASSAGE MAR 15 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

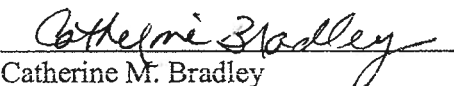
WHEREAS, each Board member is appointed to a six-year term and serves until a successor is appointed and qualified; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that the appointment and reappointment by the Mayor of the City of San Diego, to serve as members of the San Diego County Water Authority Board of Directors, for terms ending as indicated herein, be and the same are hereby confirmed:

NAME	TERM ENDING
Vince Mudd (Poway) (Appointment, replacing John Johnson)	January 2, 2016 ✓
Elsa Saxod (Mission Hills, District 2) (Reappointment)	February 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 Vince Mudd 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 Board, therefore, a conscious exception to Council Policy 000-13 is hereby declared.

APPROVED: JAN I. GOLDSMITH, City Attorney

By 
Catherine M. Bradley
Chief Deputy City Attorney

CMB:MWE:jab
02/11/10
03/02/10 REV.
03/02/10 COR.COPY
Or.Dept:Mayor
R-2010-567

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of MAR 2 2010.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 3.15.10
(date)


JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor

March 17, 2010

Attention: Board of Directors

General Counsel's Report – February/March 2010

Purpose

This report discusses certain legal matters receiving attention during the months of February-March 2010.

Significant Developments in Pending Litigation

QSA Litigation. The court of appeal has issued a temporary stay of the judgment in the QSA cases pending a ruling on the petitions for a stay during the appeal. The temporary stay will remain in effect until further order of the appellate court. The court required parties opposing the stay petition to file opposition on or before April 1, 2010. Replies are due within 15 days after filing of opposition. Motions for attorneys' fees and costs have been filed. However, the trial court has taken the motions off calendar in light of the temporary stay.

Special Counsel Expenditures

Funds approved for payments to special counsel during February-March 2010 from the General Counsel's Operating Budget totaled \$157,584.23 for work related to NIAC and QSA litigation, Metropolitan rates and matters relating to trademarks. CIP expenditures during February-March 2010 were \$189,464.65 for work related to Rancho Penasquitos, San Vicente, Olivenhain-Lake Hodges, TOV WTP, Traylor-Shea Joint Venture and water conveyance dispute. The combined payments for fiscal year 09/10 from the Operating Budget for legal services are \$1,730,524.70. The combined payments for fiscal year 09/10 from the CIP Budget for legal services are \$879,293.64.

Prepared by: Daniel S. Hentschke

Attachment: Special Counsel Expenditure Report

**General Counsel's Office
Special Counsel Expenditure Report
(February-March 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)	\$146,437.71		\$1,335,925.86 (OP)	
	Federal Clean Air Act Challenge / QSA		\$688.00		\$688.00 (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		\$5,175.00		\$5,175.00 (OP)	
Daley & Heft	SDCWA v. Atlantica/Deluca	\$15,862.59 (OP)			\$6,922.90 (OP)	
	SDCWA v. NIAC	\$60,376.30 (OP)	\$1,453.12		\$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	\$75.00 (CIP)	
	San Vicente FERC Project	\$2,758.00 (CIP)		\$712.50	\$1,650.00 (CIP)	
	Olivenhain/Lake Hodges FERC Proj.	\$35,354.00 (CIP)		\$187.50	\$3,638.11 (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)		\$185,972.65	\$726,891.56 (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)		\$766.50	\$27,108.33 (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)			\$61,028.82 (CIP)	
	Multiple Tunnel Shift Pay			\$1,665.50	\$3,762.00 (CIP)	
Richards Watson & Gershon	Water Conveyance Dispute	\$148,617.63 (CIP)		\$85.00	\$46,139.82 (CIP)	
Shearman & Sterling	<i>Commercial Paper Notes, Series I *</i>	\$9,000.00 (OP)				
Townsend	<i>Trademark</i>		\$3,830.40		\$3,830.40 (OP)	
Total:		\$2,062,967.74 (OP)	\$157,584.23	\$189,464.65	\$1,730,524.70 (OP)	Budget Remaining in FYs 10 & 11 \$169,475.30
		\$1,179,338.55 (CIP)			\$879,293.64 (CIP)	

* *Concluded matters or assignments.*
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¹ Includes Bond Counsel Services for QSA issues, revenue debt, IRS audit and proposed desalination project.