

**MINUTES OF THE FORMAL BOARD OF DIRECTORS' MEETING  
OCTOBER 24, 2013**

**WATER PLANNING COMMITTEE**

**CALL TO ORDER/ROLL CALL**

Chair Douglas called the Water Planning Committee Meeting to order at 8:00 a.m. Committee members present were Chair Douglas, Vice Chair Tu\*, and Directors Brady\*, Kern, Linden, Madaffer, Miller\*, Murtland, Saunders, Steiner and Weston. Committee members absent were Vice Chair Watton and Directors Sanford and Simpson. Also present were Directors Arant, Croucher\*, Hogan, Lewinger\*, Olson, Saxod, Topolovac, Verbeke, Watkins\*, Williams\*, Wilson\* and Wornham. At that time, there was a quorum of the Board, and the meeting was conducted as a meeting of the Board; however, only committee members participated in the vote.

Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Water Resources Director Weinberg, Senior Water Resources Specialist Gage and Water Resources Specialist Dobalian.

**PUBLIC COMMENT**

There were no public comments.

**CHAIR'S REPORT**

Chair Douglas provided comments on the CalDesal annual conference, held during October 2013, noting that Chair Wornham provided keynote remarks and that the Water Authority was recognized for the Carlsbad Desalination Project Water Purchase Agreement with CalDesal's Landmark Contribution Award for 2013. Chair Douglas reported that the draft 2013 Master Plan, Supplemental Program Environmental Impact Report (EIR) and Climate Action Plan documents would be released for public review in November 2013, and there would be a public hearing on the EIR on January 9, 2014 at 6:00 p.m. She concluded her report with an announcement that Tim Quinn, Executive Director Association of California Water Agencies, would present information on ACWA's statewide Water Action Plan at the November 21, 2013 Water Planning Committee meeting.

\*Vice Chair Tu, Directors Wilson, Lewinger and Williams arrived at 8:03 a.m., 8:05 a.m. and 8:08 a.m. respectively.

**DIRECTORS' COMMENTS**

There were no comments made by Directors.

**I. CONSENT CALENDAR**

1. Resolution approving Valley Center Municipal Water District's proposed Meadowood Annexation.  
Staff recommendation:  
Adopt Resolution No. 2013-\_\_\_\_\_ that:
  - a) Resolves that the Final EIR certified by the County of San Diego as Lead Agency complies with CEQA and the State CEQA Guidelines, and adequately

- addresses the potential environmental effects resulting from annexation, issues findings required by CEQA as a Responsible Agency; and
- b) Sets final terms and conditions and approves the concurrent annexation of Valley Center Municipal Water District's proposed Meadowood annexation to the Water Authority and the Metropolitan Water District conditioned upon the fulfillment of all conditions and final approval by the San Diego Local Agency Formation Commission.

Director Steiner moved, Director Kern seconded, and the motion to approve staff's recommendation passed unanimously.

\*Directors Brady, Croucher, Miller and Watkins arrived at 8:14 a.m., 8:18 a.m., 8:20 a.m. and 8:22 a.m. respectively.

## **II. ACTION/DISCUSSION**

1. Regional Water Facilities Optimization and Master Plan update.
  - 1-A Summary of Climate Action Plan Analysis and status of Draft 2013 Facilities Master Plan Update.

Ms. Gage provided information on the Water Planning Committee September 12, 2013 Climate Action Plan workshop. She also covered elements of the Climate Action Plan concerning baseline emissions, target setting, and future emissions estimates for future Capital Improvement Program and Master Plan projects, adding that tracking would be in place to monitor progress in achieving emissions reductions. Ms. Gage concluded with the schedule of planned work leading to the Board's Certification of the Final Program Environment Impact Report, Final Master Plan and Final Climate Action Plan in February or March of 2014.

Staff responded to questions and comments posed by Directors Linden, Kern, and Olson. Director Hogan requested analysis of costs to the Water Authority for implementing the requirements of AB32.

2. Water supply and demand conditions.

Ms. Dobalian provided a summary on the water year ending September 30, 2013 and forecast information on the water year beginning October 1, 2014.

## **II. INFORMATION**

- The following report was received and filed:
1. Water Resources report.

## **IV. CLOSED SESSION**

There were no Closed Session items.

## **V. ADJOURNMENT**

Chair Douglas adjourned the meeting at 8:37 a.m.

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

Chair Saunders called the Administrative and Finance Committee meeting to order at 8:45 a.m. Committee members present were Chair Saunders, Vice Chairs Arant and Wight, Directors Gallo\*, Hilliker\*, Hogan, Lewinger, Topolovac, Watton\*, Weston, Williams, and Wilson. The Committee member absent was Director Sanford. Also present were Directors Brady, Croucher, Evans, Linden, Madaffer, Miller, Murtland, Olson, Pocklington, Saxod, Simpson, Steiner, Tu, Verbeke, Watkins, and Wornham. At that time, there was a quorum of the Board, and the meeting was conducted as a meeting of the Board; however, only Committee members participated in the vote.

Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Director of Finance/Treasurer McCraner, Director of Administrative Services Young, Financial Planning Manager Shank, and Controller Greek. Also present was Doug Montague, Principal of Montague DeRose and Associates.

\*Director Hilliker arrived at 8:50 a.m., Director Gallo arrived at 8:55 a.m., and Director Watton arrived at 9:04 a.m.

**ADDITIONS TO AGENDA**

There were no additions to the agenda.

**PUBLIC COMMENT**

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

**CHAIR'S REPORT**

Chair Saunders announced the General Manager's Adopted Multi-Year Budget for Fiscal Years 2014 and 2015 had been distributed to the Board and was also available on the Water Authority's website.

**DIRECTORS' COMMENTS**

There were no Directors' comments.

**I. CONSENT CALENDAR**

1. Treasurer's Report.  
Staff recommendation: Note and file the monthly Treasurer's report.
  
2. Establish 2014 Board meeting dates.  
Staff recommendation: Combine the November and December Board meeting dates to November 20, 2014 and approve the 2014 Board meeting dates calendar.

Director Lewinger moved, Vice Chair Wight seconded, and the motion passed unanimously to approve the Consent Calendar.

## II. ACTION/DISCUSSION

1. Update of the Water Authority's Statement of Debt Management Policy.  
Staff recommendation: Adopt the updated Statement of Debt Management Policy.

Mr. Shank provided an overview of the Debt Management Policy Update. The policy provides written guidelines for debt management that focuses on approved types of debt, limitations on debt issuance, and the issuance process, including roles and responsibilities. The policy requires periodic updates with the last update completed in 2005.

Mr. Shank stated the core elements of the policy remained unchanged, such as the long established debt issuance process, as well as the risk profile. Recommended changes to the policy included a general update based on recent Board action, addition of debt instruments to leverage the Water Authority's high credit rating, and an update of refunding guidelines.

Mr. Shank introduced Doug Montague, Principal of DeRose Montague and Associates. Mr. Montague provided a detailed review of historical interest rates, alternative debt products, revised refunding policy, and revised refunding savings targets.

Mr. Shank announced an updated short-term debt management strategy would come before the Board in calendar year 2014 to address expiring liquidity facilities, identify cost savings opportunities, and diversify the short-term debt portfolio.

Ms. Kerl stated the last refunding took place in March 2013 which realized a savings of \$60 Million to the Water Authority. The update of this policy was in the interest of transparency, and provided assurance to the Board and the Public that the Water Authority's refunding efforts followed a structured process.

Director Watton requested an analysis of the impacts of maintaining our credit rating against the debt coverage ratio and the impact on rate setting. Ms. Stapleton stated these metrics had been reviewed by the Fiscal Sustainability Task Force and the results could be brought before the Board at a later time.

Director Williams made a motion to continue the item to the November 21, 2013 Board meeting, seconded by Director Wilson. Ms. Stapleton asked Board members to send any questions they had on the updated policy to staff. The modified motion came to a vote and passed. Director Gallo opposed the motion.

2. Fiscal Sustainability update.

Vice Chair Wight provided an update on the efforts of the Fiscal Sustainability Task Force. The Group completed a review of the Metropolitan Water District's fiscal policies and practices, rate structure, and lack of updated fiscal policies and a long-term financial planning document. Vice Chair Wight stated the Water Authority Board should be proud of its financial planning, and for its proactive approach in tackling issues related to fiscal sustainability.

Vice Chair Wight stated the task force had also completed a detailed review of the Water Authority's financial guiding principles which assist the Board and staff in financial decision-making. These guiding principles would be brought before the Board for approval at the Special Administrative and Finance Committee meeting on November 14, 2013. The Task Force also reviewed affordability metrics (the average annual water cost per household divided by the average median income) and the impact on rate payers. In conclusion, she thanked all contributors for their ideas, and invited Board members to continue to submit any additional comments or questions they may have.

Director Wornham requested a review of the timelines of various efforts related to fiscal policy and planning (e.g. the cost of service study, General Manager's group efforts, Fiscal Sustainability Task Force efforts, etc.). Ms. Stapleton asked staff to display a slide containing the information, but due to technical difficulties, the presentation of the slide was deferred to the next committee meeting.

Chair Saunders thanked Vice Chair Wight for leading up the Task Force, as well as its members: Directors Arant, Barnum, Croucher, Verbeke, Weston and Wornham.

Director Wornham thanked Vice Chair Wight for her leadership of the group.

### **III. INFORMATION**

The following items were noted and filed:

1. Controller's report on monthly financial reports.
2. Public Disclosure Reports.
  - 2-A Per Diem and reimbursements to Board members and staff per Government Code Section 53065.5.
  - 2-B Board of Directors' Third Quarter 2013 expenses and attendance.
3. Board calendar.

### **IV. CLOSED SESSION**

There were no closed session items.

### **V. ADJOURNMENT**

There being no further business to come before the Administrative and Finance Committee, Chair Saunders adjourned the meeting at 9:30 a.m.

### **ENGINEERING AND OPERATIONS COMMITTEE**

#### **CALL TO ORDER / ROLL CALL**

Chair Brady called the Engineering and Operations Committee meeting to order at 9:39 a.m. Committee members present were Chair Brady, Vice Chairs Miller and Pocklington, Directors Mudd\*, Murtland, Olson, Simpson, Tu, Verbeke, Watkins, and Wornham. Members absent were Directors Barnum and Morrison. Also present were Directors

Arant, Croucher, Douglas, Evans, Gallo, Hilliker, Kern, Hogan, Lewinger, Linden, Madaffer, Saunders, Saxod, Topolovac, Watton, Weston, Wight, Williams, and Wilson. 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, Deputy General Counsel Gallien, Director of Operations and Maintenance Eaton, Director of Engineering Rose, Engineering Manager Reed, Right of Way Manager Kross, Principal Engineer Rodgers, Engineer P.E. Whitaker, and Right of Way Supervisor Brierton.

\*Director Mudd arrived at 9:45 a.m.

A continuation of the presentation on the Fiscal Sustainability update was provided to the Board at this time, due to technical difficulties during the Administrative and Finance Committee meeting. There was no discussion following the presentation, however Director Wornham requested that a handout of the presentation be provided to all Board members.

#### **ADDITIONS TO AGENDA**

There were no additions to the agenda.

#### **PUBLIC COMMENT**

There were four members of the public who wished to speak regarding a specific item on the agenda. Chair Brady stated that they would be allowed to speak at the time the agenda item was presented.

#### **CHAIR'S REPORT**

Chair Brady gave a brief summary of the Engineering and Operations Tour which took place on September 30, 2013.

#### **DIRECTORS' COMMENTS**

There were no Directors' comments.

#### **I. CONSENT CALENDAR**

There were no items on the Consent calendar.

#### **II. ACTION/DISCUSSION**

1. Professional services contract with Black & Veatch Corporation; professional services contract with Navigant Consulting, Inc.; and Memorandum of Understanding between the San Diego County Water Authority and City of San Diego for the San Vicente Pumped Storage project.

##### Staff recommendation:

1. Authorize the General Manager to award a professional services contract to Black & Veatch Corporation, for \$149,920, to perform an economic and financial study for the San Vicente Pumped Storage project.

2. Authorize the General Manager to award a professional services contract to Navigant Consulting, Inc., for \$59,667, to provide independent reviews and technical advice for the San Vicente Pumped Storage project.
3. Authorize the General Manager to enter into a Memorandum of Understanding with the City of San Diego for the implementation of the economic and financial study for the San Vicente Pumped Storage project.

Mr. Belock began the presentation including project background, pumped storage operation, reasons for pumped storage, and long-term future steps.

Ms. Rodgers continued the presentation including project description, lower reservoir, potential upper reservoir sites, economic and financial study contract, technical advisory contract, memorandum of understanding with the City of San Diego, and next steps.

During the discussion that ensued, committee members asked that staff pursue a legislative lobbying effort regarding the California Public Utility Commission's recent mandate regarding power storage. Other discussion included asking Black and Veatch to investigate regulations regarding power storage during the early stages of their study. Director Watton asked for an update on the Lake Hodges pro forma to be brought before the Board at a later date.

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

2. Construction contract for the San Vicente Marina Facilities project.  
Staff recommendation:
  1. Reject Quest Civil Constructors, Inc. bid protest.
  2. Authorize the General Manager to award a construction contract to Pulice Construction Inc. in the amount of \$22,882,639 for the San Vicente Marina Facilities, Specification 594.

Ms. Rodgers gave a presentation regarding the project including project description, bid summary, and information regarding the bid protest. She also announced that a new letter regarding the protest was received that morning and a copy was attached to the presentation handout package.

Chair Brady asked for the members of the public who wished to speak. Mr. Howard Birch from Quest Civil Constructors, Inc., spoke regarding their reasons for protesting the construction contract award on the project. Chair Brady then called Mr. Kevin Carlin, Carlin Law Group, to the podium. Mr. Carlin asked to reserve his time for later. Chair Brady stated that we did not reserve time and this was his time to speak. Mr. Carlin stated again that he wished to reserve his time and did not speak. Chair Brady then called Mr. Philip J. Blanchard, Rutan & Tucker, LLP/Pulice Construction, to the podium. Mr. Blanchard spoke to answer Quest Civil's protest against Pulice Construction stating the protest was without merit. At that time, Chair Brady called Mr. Dennis Cox, Pulice Construction to the podium. Mr. Cox made a very brief statement regarding the bid protest.

Vice Chair Pocklington moved, Director Verbeke seconded, and the motion to approve the recommendation passed unanimously.

### **III. INFORMATION**

There were no Information items on the agenda.

### **IV. CLOSED SESSION**

Mr. Hentschke took the committee into Closed Session at 10:35 a.m.

1. CLOSED SESSION:  
Conference with Legal Counsel – Initiation of Litigation  
Government Code §54956.9(d)(4) – One Case

Mr. Hentschke brought the committee out of Closed Session at 11:02 a.m. and stated there were no actions to report.

### **V. ADJOURNMENT**

There being no further business to come before the Engineering and Operations Committee, Chair Brady adjourned the meeting at 11:02a.m.

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

Chair Topolovac called the Legislation, Conservation and Outreach Committee to order at 11:10 a.m. Committee members present were Chair Topolovac, Vice Chairs Croucher and Madaffer, Directors Douglas, Evans, Gallo, Hilliker, Kern, Morrison, Mudd, Saxod, Verbeke and Wight. Committee members absent were Directors Barnum and Muir. Other Board members present were Directors Arant, Brady, Hogan, Lewinger, Linden, Miller, Murtland, Olson, Pocklington, Simpson, Steiner, Tu, Watton, Weston, Williams, Wilson and Wornham. At that time, there was a quorum of the Board; however, only Committee members participated in the vote.

Staff present were General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Director of Public Outreach and Conservation Foster, Government Relations Manager Farrel, Public Affairs Supervisor Nenow and Management Analyst Schnell.

### **ADDITIONS TO AGENDA**

There were no additions to the agenda.

### **PUBLIC COMMENT**

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

### **CHAIR'S REPORT**

Chair Topolovac announced the next meeting of the SCOOP committee was scheduled for Tuesday, November 5, 2013. He also announced that the next Legislative Roundtable with



Assemblymembers Brian Maienschein and Shirley Weber was scheduled for Wednesday, November 6, 2013.

Chair Topolovac reminded the Board that the newly revised “To Quench a Thirst” book was available for those who would like a copy. He also mentioned that there would be a showcase of the Water Authority’s school education programs immediately following the committee meeting.

## **DIRECTORS’ COMMENTS**

There were no comments made by Directors.

### **I. CONSENT CALENDAR**

There were no items on the Consent Calendar.

### **II. ACTION/DISCUSSION**

#### **1. Legislative Issues.**

1-A Report by Carpi and Clay.

Mr. Clay provided a Sacramento update and stated that the Governor completed his part of the legislative process by signing roughly 800 bills during the year. Mr. Clay also reported that the legislative session would begin on January 7, 2014. He announced that SB 322, which the Water Authority sponsored and aimed to have the California Department of Public Health investigate uniform water recycling criteria for direct potable reuse, was signed by the Governor.

1-B Presentation on State Legislation and Legislative Positions for 2013.

Mr. Farrel provided an update on legislative issues. He also reported on the legislative proposals for the 2014 state legislative session. He stated that Water Authority staff was continuing the process of evaluating legislative proposals for possible sponsorship in 2014. He added that legislative proposals would be presented to the Board at the November 21, 2013 Board Meeting.

Ms. Schnell provided an overview of legislation on which the Water Authority took a position in 2013, the first year of the two-year 2013-2014 state legislative session. She also reported that no legislation opposed by the Water Authority passed in the Legislature in 2013.

1-C Present draft proposed 2014 Legislative Policy guidelines.

Mr. Farrel provided a brief overview of proposed modifications to the Legislative Policy guidelines.

### **III. INFORMATION**

1. Presentation and demonstration of school education programs.

Ms. Nenow presented a summary of school education programs and announced that the Board would see the education school assembly program and Splash Science Mobile Lab immediately following the committee meeting.

The committee received and filed the following items:

2. Government Relations update.
3. Statewide Water Action Plan update.

#### **IV. ADJOURNMENT**

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

#### **IMPORTED WATER COMMITTEE**

##### **CALL TO ORDER / ROLL CALL**

Chair Saxod called the Imported Water Committee meeting to order at 1:02 p.m. Committee members present were Chair Saxod, Vice Chairs Muir and Williams, Directors Arant, Croucher, Evans, Hogan, Lewinger, Linden, Olson, Pocklington, Steiner, Wilson, and Wornham. Director Watkins was absent. Also present were Directors Barnum\*, Brady, Douglas, Gallo, Kern, Madaffer, Miller, Morrison, Mudd, Murtland, Saunders, Simpson, Topolovac, Verbeke, Watton, Weston and Wight. At that time, there was a quorum of the Board, and the meeting was conducted as a meeting of the Board; however, only committee members participated in the vote.

Staff present included General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Director of MWD Program Chen, Acting Colorado River Program Director Denham, Water Resources Director Weinberg, Government Relations Manager Farrel, Water Resources Manager Purcell, and others.

##### **ADDITIONS TO AGENDA**

There were no additions to the agenda.

##### **PUBLIC COMMENT**

There were no public comments.

##### **DIRECTORS' COMMENTS**

There were no comments by Directors.

Mr. Hentschke took the Committee into Closed Session at 1:03 p.m.

#### **IV. CLOSED SESSION**

1. CLOSED SESSION:  
Conference with Legal Counsel – Existing Litigation  
Government Code §54956.9(d)(1)  
Name of Case: QSA Judicial Council Coordination Proceeding No. 4353

Conference with Legal Counsel – Existing Litigation  
Government Code §54956.9(d)(1)  
Name of Case: State Water Resources Control Board (SWRCB) Imperial  
Irrigation District and San Diego County Water Authority Joint Petition for  
Modification of Revised Order WRO 2002-0013 (Permit 7643, Application 7482)

2. CLOSED SESSION:  
Conference with Legal Counsel – Existing Litigation  
Government Code §54956.9(d)(1)  
SDCWA v Metropolitan Water District of Southern California; Case Nos. CPF-  
10-510830 and CPF-12-512466
  
3. CLOSED SESSION:  
Conference with Legal Counsel – Existing Litigation  
Government Code §54956.9(a) – SDCWA v Eastern Municipal Water District;  
Riverside Superior Court Case No. RIC1300887

Mr. Hentschke brought the Committee out of Closed Session at 1:54 p.m. and stated there was no reportable action.

#### **CHAIR'S REPORT**

Chair Saxod reported that the Imperial Irrigation District and Imperial County had approved a Memorandum of Understanding in which the two agencies had pledged to work together to address Salton Sea issues. One such effort was a renewable energy initiative to attract geothermal, solar and algae development to the shoreline of the sea as a way to generate funds to help restoration of the sea. Staff would continue to monitor any actions that result from the MOU and report back to the committee.

Chair Saxod announced that Director Hogan had hosted a Colorado River Inspection Trip and that the next Colorado River Trip would be hosted by Directors Mudd and Steiner on January 11-12, 2014. She encouraged directors who have not been on a Colorado River trip to attend by letting Clerk of the Board Lore know.

\*Director Barnum arrived at 2:46 p.m.

#### **I. CONSENT CALENDAR**

There were no items on the consent calendar.

#### **II. ACTION/DISCUSSION**

1. Bay Delta.  
1-A Bay Delta Conservation Plan environmental review process.

Mr. Purcell discussed the state and federal Endangered Species Act permitting process, the state and federal environmental review process, and the baselines used in the Bay Delta Conservation Plan (BDCP) environmental and economic benefits analyses.

1-B Bay Delta Conservation Plan implementation process and evaluation of portfolio alternative.

Mr. Farrel discussed the BDCP implementation timeline and process, additional regulatory permits that may be required, additional actions necessary for BDCP implementation, and possible external factors that could affect BDCP implementation. He also provided a report on the California Natural Resources Agency's letter to the Water Authority of its review of the Portfolio Alternative the Water Authority and other water agencies sought to have included as part of the BDCP evaluation, and Water Authority's response to the Resources review. He stated that the Water Authority staff continues a multidisciplinary evaluation and analysis of the four Delta fix options and that there would be a special Board workshop on November 14, 2013, when Natural Resources Secretary John Laird would also be present. Following his presentation, Directors asked questions and made comments.

2. Metropolitan Water District Issues and Activities update.  
2-A Metropolitan Water District Delegates report.

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

2-B State Water Project hydrology and operations update.

This information item was continued to the November 21, 2013 Board meeting.

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

Chair Saxod stated there would be a short presentation during Formal Board on the item.

### III. INFORMATION

The following information item was noted and filed:

1. Metropolitan Water District Program report.

### V. ADJOURNMENT

There being no further business to come before the Imported Water Committee, Chair Saxod adjourned the meeting at 3:12 p.m.

### **FORMAL BOARD OF DIRECTORS' MEETING OF OCTOBER 24, 2013**

1. **CALL TO ORDER** Chair Wornham called the Formal Board of Directors' meeting to order at 3:20 p.m.
2. **SALUTE TO THE FLAG** Director Evans led the salute to the flag.

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

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

3-A **Report on proxies received.** Director Arant was the proxy for Director Sanford, Director Linden was the proxy for Director Verbeke and Director Watton was the proxy for Director Croucher.

4. **ADDITIONS TO AGENDA**

Chair Wornham introduced AssemblyMember Brian Jones and announced that he was in attendance to present to the Water Authority Board of Directors a resolution commemorating the ten year anniversary of the Colorado River Quantification Settlement Agreement (QSA). Mr. Jones presented the resolution and expressed his appreciation to all who made the QSA possible.

5. **APPROVAL OF MINUTES**

Director Muir moved, Director Pocklington seconded, and the motion carried at 95.97% of the vote to approve the minutes of the Special meeting of the Imported Water Committee of September 12, 2013, the Special meeting of the Water Planning Committee of September 12, 2013, and the Formal Board of Directors' meeting of September 26, 2013. Directors Saxod, Weston, and Wight abstained.

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 Yuima Municipal Water District Overview – Linden Burzell, General Manager.

Chair Wornham introduced Mr. Linden Burzell, Yuima Municipal District General Manager. Mr. Burzell provided a presentation on Yuima MWD including a brief history of the district, service boundaries and demands. He stated that the district provided water on a wholesale basis to five independent mutual water companies operating within the Yuima borders. He also discussed the agricultural demands on the district stating that the agriculture section made up 97% of the districts total water sales. He concluded his presentation with a review of the issues and challenges facing the district and his hopes for the future.

8. **REPORTS BY CHAIRS**

8-A Chairs report: Chair Wornham announced that staff was beginning to plan a dedication event for the San Vicente Dam Raise Project with a potential date in the first quarter of 2014.

Chair Wornham reported that the Lake Hodges PPA Task Force had been re-titled as the Hydro Power Task Force and tasks would include overseeing the San Vicente Pumped Storage Project. The task force was to be chaired by Director Hogan and include Directors Arant, Brady, Miller, Saunders, Watkins, Williams and Wilson.

He reminded the Board that the annual United Way campaign was underway and Directors could contribute by providing either a one-time pledge or by purchasing Water Authority apparel and accessories.

Chair Wornham concluded with a report on his trip to Washington DC with Government Relations Manager Farrel, hosted by the San Diego Chamber of Commerce.

8-B Report by Committee Chairs.

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

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

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

Legislation, Conservation and Outreach Committee. Director Topolovac stated there was no reportable action.

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

9. **CONSENT CALENDAR**

Director Wight moved, Director Barnum seconded, and the motion carried at 98.15% of the vote to approve the consent calendar. Directors voting no or abstaining are listed under the item number.

9- 1. Resolution approving Valley Center Municipal Water District's proposed Meadowood Annexation.

The Board adopted **Resolution No. 2013-23** that resolves that the Final EIR certified by the County of San Diego as Lead Agency complies with CEQA and the State CEQA Guidelines, and adequately addresses the potential environmental effects resulting from annexation, issues findings required by CEQA as a Responsible Agency; and Sets final terms and conditions and approves the concurrent annexation of Valley Center Municipal Water District's proposed Meadowood annexation to the Water Authority and the Metropolitan Water District conditioned upon the fulfillment of all conditions and final approval by the San Diego Local Agency Formation Commission.

9- 2. Treasurer's report.

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

- 9- 3. Establish 2014 Board meeting dates.  
The Board authorized combining the November and December Board meeting dates to November 20, 2014 and approved the 2014 Board meeting dates calendar.
- 9- 4. Update of the Water Authority's Statement of Debt Management Policy.  
Adopt the updated Statement of Debt Management Policy.

This item was continued to the November 21, 2013 Board meeting.

- 9- 5. Professional services contract with Black & Veatch Corporation; professional services contract with Navigant Consulting, Inc.; and Memorandum of Understanding between the San Diego County Water Authority and City of San Diego for the San Vicente Pumped Storage project.  
The Board authorized the General Manager to award a professional services contract to Black & Veatch Corporation, for \$149,920, to perform an economic and financial study for the San Vicente Pumped Storage project. The Board authorized the General Manager to award a professional services contract to Navigant Consulting, Inc., for \$59,667, to provide independent reviews and technical advice for the San Vicente Pumped Storage project. The Board authorized the General Manager to enter into a Memorandum of Understanding with the City of San Diego for the implementation of the economic and financial study for the San Vicente Pumped Storage project.
- 9- 6. Construction contract for the San Vicente Marina Facilities project.  
The Board rejected Quest Civil Constructors, Inc. bid protest. The Board authorized the General Manager to award a construction contract to Pulice Construction Inc. in the amount of \$22,882,639 for the San Vicente Marina Facilities, Specification 594.

Directors Pocklington, Weston, and Wilson gave a presentation on the recent Colorado River Tour they attended and shared with the Board information learnt during the tour, and a slideshow of photos from the trip.

10. **ACTION/DISCUSSION**

There were no action items.

11. **CLOSED SESSION(S)**

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

11-A **CLOSED SESSION:**

Conference with Legal Counsel – Initiation of Litigation  
Government Code §54956.9(d)(4) – One Case

11-B CLOSED SESSIONS:

Conference with Legal Counsel – Existing Litigation

Government Code §54956.9(d)(1)

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

Conference with Legal Counsel - Existing Litigation

Government Code §54956.9(d)(1)

Name of Case: State Water Resources Control Board (SWRCB)  
Imperial Irrigation District and San Diego County Water Authority  
Joint Petition for Modification of Revised Order WRO 2002-0013  
(Permit 7643, Application 7482)

11-C CLOSED SESSION:

Conference with Legal Counsel - Existing Litigation

Government Code §54956.9(d)(1)

SDCWA v Metropolitan Water District of Southern California;  
Case Nos. CPF-10-510830 and CPF-12-512466

11-D CLOSED SESSION:

Conference with Legal Counsel - Existing Litigation

Government Code §54956.9(d)(1) -

SDCWA v Eastern Municipal Water District;  
Riverside Superior Court Case No. RIC1300887

12. **ACTION FOLLOWING CLOSED SESSION** – None.

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 Barnum reported on the October 11, 2013 SANDAG meeting.

SANDAG Subcommittee: Borders/Regional Planning Committee –  
No report was given.

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

14. **OTHER COMMUNICATIONS** - There were no other communications.



15. **ADJOURNMENT**

At 4:05 p.m. the meeting was adjourned to 8:00 a.m. for start of Committee meetings and 2:00 p.m. for start of Formal Board meeting on November 21, 2013.

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Thomas V. Wornham, Chair

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Michael T. Hogan, Secretary

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Doria F. Lore, Clerk of the Board