

**MINUTES OF THE FORMAL BOARD OF DIRECTORS' MEETING  
JANUARY 22, 2015**

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

Vice Chair Brady called the Water Planning Committee Meeting to order at 9:00 a.m. Committee members present were Vice Chair Brady, Vice Chair Evans, and Directors Ayala, Hall, Lewinger, Linden, Miller, Murtland, Preciado\*, Sanford and Simpson. Chair Wight, and Directors Sanchez, Tu, and Wornham were absent. Also present were Directors Arant, Barnum, Guerin, Hogan, Olson, Saunders, Saxod, Verbeke, Watton, Weston, Williams and Wilson. At that time, there was a quorum of the committee.

Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Water Resources Director Weinberg, Acting Water Resources Manager Frieauf and Water Resources Specialist Schnell.

**PUBLIC COMMENT**

There were no public comments.

**CHAIR'S REPORT**

Vice Chair Brady chaired the meeting and reported that the next two years would see a lot of activity for the committee, including drought management activities and supply allocations, development and adoption of the 2015 Urban Water Management Plan, Proposition 84 and Proposition 1 grant funding opportunities, and environmental compliance activities for intake at the Carlsbad Desalination Plant. He advised the order of the agenda would be revised to allow staff to report on water supply and demand conditions prior to the Action Item on modifications to the Water Authority's Water Shortage and Drought Response Plan Allocation Methodology.

**DIRECTORS' COMMENTS**

There were no comments made by Directors.

**I. CONSENT CALENDAR**

1. Resolution approving Rainbow Municipal Water District's Proposed Campus Park West Annexation.  
Staff recommendation: Adopt Resolution No. 2015-\_\_\_\_ (Attached) that:
  - a) Resolves that the Final Environmental Impact Report (EIR) certified by the County of San Diego as Lead Agency complies with California Environmental Quality Act 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 Rainbow Municipal Water District's proposed Campus Park West 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.

2. Professional Services Contract for environmental consulting services for the Pipeline 3 Reline - Lake Murray to Sweetwater Reservoir Segment.  
Staff recommendation: Authorize the General Manager to award a professional services contract to Helix Environmental Planning, Inc., in an amount not-to-exceed \$323,000 to provide environmental consulting services for the Pipeline 3 Relining – Lake Murray to Sweetwater Reservoir project for a term of two years.

Director Lewinger moved, Director Murtland seconded, and the motion to approve staff recommendations for all Consent Calendar items passed unanimously. Director Ayala recused himself from Item I-1.

## II. ACTION/DISCUSSION

1. Approve Modifications to the Water Authority's Water Shortage and Drought Response Plan Allocation Methodology.  
Staff recommendation: Approve the following modifications to the Water Authority's Water Shortage and Drought Response Plan allocation methodology:
  1. Temporarily alter the methodology to allow use of water demands in fiscal years 2013 and 2014 as the base period for potential allocations during the current shortage period; and
  2. Include an additional adjustment pertaining to mandatory use restrictions in place during the base period.

Ms. Friehauf provided a report on timing and factors surrounding potential Metropolitan supply cutbacks and background on the Water Authority's municipal and industrial allocation methodology, including coordination involved with implementing the Water Shortage and Drought Response Plan, work of the member agency drought advisory team, determining base period demands, adjustment for mandatory use restrictions, and a tentative timeline for preparing for potential allocations in 2015.

Director Lewinger moved and Director Murtland seconded a motion to approve the staff recommendation. Director Lewinger requested staff provide a graphic in the upcoming Imported Water Committee meeting that would show scenarios of State Water Project supplies and potential shortfalls. Staff responded to questions and comments by Director Saunders, after which the motion passed unanimously.

\*Director Preciado arrived at 9:20 a.m.

## III. INFORMATION

1. Water Supply and Drought Management Update.

Ms. Schnell gave a presentation that included State Water Project allocation historical figures and current updates; Northern Sierra precipitation figures and Sierra snowpack

conditions; Lake Oroville reservoir conditions; a three-month view of state drought conditions; Colorado River hydrologic and local service reservoir conditions; potable water use in the Water Authority service area and average local daily temperature for fiscal years 2014 and 2015; and a three-month look ahead at projected precipitation, temperatures and seasonal drought.

The following report was received and filed:

2. Water Resources Report.

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

There were no Closed Session items.

#### **V. ADJOURNMENT**

Vice Chair Brady adjourned the meeting at 9:28 a.m.

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

Vice Chair Guerin called the Legislation, Conservation and Outreach Committee to order at 9:38 a.m. Committee members present were Chair Croucher\*, Vice Chairs Guerin and Steiner\*, and Directors Barnum, Gallo, Hall, Muir\*, Preciado, Saxod and Tu\*. Committee members absent were Directors Hilliker, Madaffer, Morrison, and Representative Roberts. Other Board members present were Directors Arant, Ayala, Brady, Evans, Hogan, Lewinger, Linden, Miller, Murtland, Olson, Simpson, Verbeke, Watkins, Watton, Weston, Williams, Wilson and Wornham. At that time there was not a quorum of the committee. Vice Chair Guerin appointed Directors Hogan, Watton and Weston as members of the committee and established a quorum of the committee.

Staff present were General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Director of Public Outreach and Conservation Foster, Government Relations Manager Farrel, Principal Water Resources Specialist Stephenson and Public Affairs Representative II Otero. Also present were legislative representatives Ken Carpi and V. John White.

\* Chair Croucher and Director Tu arrived at 9:44 a.m., and Vice Chair Steiner arrived at 9:49 a.m. 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.

#### **ADDITIONS TO AGENDA**

There were no additions to the agenda.

#### **PUBLIC COMMENT**

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

## CHAIR'S REPORT

Chair Croucher reported there had been substantial organizational work undertaken during the first few weeks of Republican control of both Houses of Congress. He also reported that the President held his State of the Union address on January 20, 2015.

He announced that the Water Authority had received a 2014 Landscape Design Award of Merit from the local chapter of the American Society of Landscape Architects for the WaterSmart Landscape Makeover Series. He reported that four water conservation videos created by the Water Authority were being featured in a new video library hosted by the California Urban Water Conservation Council. He also stated that the Water Authority's partnership with San Diego Zoo Global had caught the attention of the California Special District magazine and the magazine would run a feature on the partnership in February of 2015.

\* Director Muir arrived at 10:02 a.m.

## I. CONSENT CALENDAR

1. Amendment to the Partnership Agreement with San Diego Gas & Electric Company for Water and Energy Efficiency Programs.  
Staff recommendation: Authorize the General Manager to execute an amendment to the Partnership Agreement with San Diego Gas & Electric Company (SDG&E) to increase the agreement amount by \$339,640, and extend the agreement by one year. The amended agreement would terminate on December 31, 2015.

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

## II. ACTION/DISCUSSION

1. Legislative Issues.
  - 1-A Washington Report by Ken Carpi.

Ken Carpi provided a Washington D.C. update. He announced that Republicans controlled both houses of Congress, and also reported that Senator Feinstein had restarted her efforts on a California drought bill.

- 1-B Sacramento Report by John White – V. John White Associates.

Mr. Farrel provided a Sacramento update including an update on the San Diego delegation committee assignments. He also provided an update on Governor Brown's proposed state budget.

2. Federal Legislative Priorities for 2015.

Mr. Farrel presented a federal legislative work plan for the coming year.

3. WaterSmart Turf Replacement Program and Pilot Artificial Turf Discount Program Updates.

Mr. Stephenson provided an update on the WaterSmart Turf Replacement Program and Pilot Artificial Turf Discount Program. He reported that the WaterSmart Turf Replacement Program had exhausted all grant funding and was no longer accepting applications. He also introduced a new Artificial Turf Discount Pilot Program and described how the program would work. He explained that the program would offer customers a 10 percent discount on products and services from participating artificial turf companies. The Water Authority would market the program, and the discounts were being provided at no cost to the Water Authority.

**III. INFORMATION**

1. Drought Response Communications and Outreach Update.

Mr. Foster provided an update on drought response communications and outreach efforts and highlighted recent activities of the “When in Drought” campaign. He introduced the new message transition of “How Low Can You Go?” to the Board stating that the objective of the message was to reduce water use as much as possible this winter.

He stated that staff continued work on pursuing partnerships, and announced a partnership with U-T San Diego to have a weekly feature in the Home and Garden section which would begin February 7, 2015. He added that staff continued spreading the campaign messaging by attending events and distributing campaign materials, as well as pursuing social media and other advertising platforms.

Ms. Otero concluded the presentation by describing how the drought response campaign was using online and social media outreach and advertising.

The committee received and filed the following items:

2. Government Relations Update.

**IV. ADJOURNMENT**

There being no further business to come before the Legislation, Conservation and Outreach Committee, Chair Croucher adjourned the meeting at 10:37 a.m.

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

Chair Watton called the Imported Water Committee meeting to order at 10:45 a.m. Committee members present were Chair Watton, Vice Chairs Verbeke and Saxod, Directors Barnum, Evans, Guerin, Hogan, Madaffer, Murland, Olson, Saunders, Steiner, Weston, and Wilson. Director Roberts was absent. Also present were Directors Arant, Ayala, Brady, Croucher, Gallo, Lewinger, Linden, Miller, Muir, Preciado, Simpson, Tu, Watkins, 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 Director Chen, Colorado River Program Director Denham, and Acting Water Resources Manager Friehauf.

#### **ADDITIONS TO AGENDA**

There were no additions to the agenda.

#### **PUBLIC COMMENT**

There were no public comments.

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

Chair Watton announced that the Committee work plan for the next two years was in process and requested input from all Committee members. He stated that a draft plan would be ready for Committee members' review and input next month.

He reported that Department of Water Resources had increased the 2015 State Water Project allocation from 10 to 15 percent due to precipitation from early December 2014 storms, and the subsequent increase in reservoir storage from runoff. The final SWP allocation would be set later in the spring.

He also reported that Water Authority Board Chair Weston had established a Colorado River Subcommittee of the Imported Water Committee. The subcommittee would meet on an Ad Hoc basis to discuss Colorado River issues, including Water Authority's QSA supplies, Basin State issues, and binational water opportunities. He announced that the subcommittee members included himself and Directors Madaffer, Steiner, Verbeke, Weston, and Wilson.

#### **DIRECTORS' COMMENTS**

There were no comments by Directors.

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

1. Amend Agreement for Consulting Services with M Strategic Communications.  
Staff recommendation: Amend the agreement with M Strategic Communications for continued consulting services to the Water Authority through December 31, 2015, for a period of 11 additional months, and increasing total contract funding to an amount not to exceed \$326,000.

Chair Saxod requested to pull item I-1 off consent to action/discussion.

2. Canal Lining Mitigation – Notice of Completion for the Wister Sport Fishery Project.  
Staff recommendation: Authorize the General Manager to accept the Wister Sport Fishery Project as complete, record the Notice of Completion, and release all funds held in retention to Four M Contracting, Inc., following expiration of the notice of completion period.

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

## II. ACTION/DISCUSSION

1. Amend Agreement for Consulting Services with M Strategic Communications.  
Staff recommendation: Amend the agreement with M Strategic Communications for continued consulting services to the Water Authority through December 31, 2015, for a period of 11 additional months, and increasing total contract funding to an amount not to exceed \$326,000.

Consent Item I-1 was moved to action/discussion on the agenda. Ms. Chen discussed the services provided by M Strategic Communications and the benefit for continuing the services. Following the presentation, Directors asked questions and made comments.

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

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

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

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

Director Wilson reported on discussions at the December 2014 and January 2015 Colorado River Board meetings.

## III. INFORMATION

1. Metropolitan Water District Program report.

Per Director Lewinger's request in the Water Planning Committee, Ms. Frieauf provided a brief presentation on how a MWD cutback might influence San Diego County.

Mr. Hentschke took the Committee into Closed Session at 11:23 a.m.

## IV. CLOSED SESSION

1. CLOSED SESSION:  
Conference with Legal Counsel – Existing Litigation  
Government Code §54956.9(d)(1)  
SDCWA v Metropolitan Water District of Southern California;  
Case Nos. CPF-10-510830; CPF-12-512466; and CPF-14-514004

2. **CLOSED SESSION:**  
Conference with Legal Counsel – Existing Litigation  
Government Code §54956.9(d)(1)  
Name of Case: State Water Resources Control Board  
Petition of Imperial Irrigations District for Modification of Revised Water Rights  
Order 2002-0013

Mr. Hentschke brought the Committee out of Closed Session at 12:27 p.m. and stated there was no reportable action.

#### **V. ADJOURNMENT**

There being no further business to come before the Imported Water Committee, Chair Watton adjourned the meeting at 12:28p.m.

### **ENGINEERING AND OPERATIONS COMMITTEE**

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

Chair Williams called the Engineering and Operations Committee meeting to order at 1:14 p.m. Committee members present were Chair Williams, Vice Chairs Miller and Watkins, and Directors Arant, Ayala, Brady, Croucher, Hogan, Linden, Morrison, Olson, Saunders, and Simpson. Committee members absent were Directors Razak and Sanchez. Also present were Directors Barnum, Evans, Gallo, Hall, Hilliker, Lewinger, Muir, Murtland, Sanford, Saxod, Verbeke, Weston, and Wilson. At that time, there was a quorum of the Committee.

Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Director of Operations and Maintenance Eaton, Director of Engineering Rose, Engineering Manager Bousquet, and Senior Engineer Conner.

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

Chair Williams thanked the 2015 Vice Chairs and Committee Members for serving and welcomed Director Ayala and Director Sanchez to the Board. He reported there would be a Hydro Power Sub-Committee meeting on Tuesday, February 3, 2015; and a Special meeting of the Engineering and Operations Committee on February 12, 2015 to provide an update on the San Vicente Pumped Storage Study.

#### **ADDITIONS TO AGENDA**

There were no additions to the agenda.

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

Mr. Hentschke took the committee into Closed Session at 1:15 p.m.

1. **CLOSED SESSION:**  
Conference with Legal Counsel – Anticipated Litigation  
Government Code §54956.9(d)(2) – One Case  
Pipeline 3 Relining Sweetwater to Lower Otay Project



Mr. Hentschke brought the committee out of closed session at 1:30 p.m. and reported that the committee took unanimous action to authorize the General Manager to execute a settlement agreement, as recommended by the General Counsel, with L.H. Woods & Sons, Inc., in the amount of \$283,140.11, to resolve all issues associated with the claim. That recommendation would be on the Consent Calendar at the Formal Board meeting.

#### **PUBLIC COMMENT**

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

#### **DIRECTORS' COMMENTS**

There were no Directors' comments.

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

1. Professional services contract for Pipeline 3 Relining – Lake Murray to Sweetwater Reservoir.

Staff recommendation:

Authorize the General Manager to award a professional services contract to Dokken Engineering, in an amount not-to-exceed \$267,972, to provide traffic engineering services for the Pipeline 3 Relining – Lake Murray to Sweetwater Reservoir. (Action)

Director Saunders moved, Director Brady seconded and the motion to approve staff recommendation passed unanimously.

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

1. Carlsbad Desalination Project

1-A Presentation – Carlsbad Desalination Project Update.  
(Information)

Mr. Belock gave a presentation regarding the Carlsbad Desalination project including project elements, Pipeline 3 Relining, Twin Oaks Water Treatment Plant Modifications, Conveyance Pipeline progress, Desalination Plant progress, plant construction, contract administration memoranda, project budget summary, intake upgrade status and schedule, commissioning approach, Water Authority role in commissioning, schedule, and plant and full system commissioning activities.

#### **III. INFORMATION**

There were no Information items.

**V. ADJOURNMENT**

There being no further business to come before the Engineering and Operations Committee, Chair Williams adjourned the meeting at 2:00 p.m.

**ADMINISTRATIVE AND FINANCE COMMITTEE**

**CALL TO ORDER / ROLL CALL**

Chair Arant called the Administrative and Finance Committee meeting to order at 2:01 p.m. Committee members present were Chair Arant, Vice Chair Wilson, Directors Gallo, Hilliker, Lewinger, Muir, Sanford, Watkins, Watton, Weston, Williams, and Wornham. Committee members absent were Vice Chair Razak, and Directors Verbeke and Wight. Also present was Directors Ayala, Barnum, Brady, Croucher, Evans, Guerin, Hall, Hogan, Miller, Morrison, Murtland, Olson, Saunders, Saxod, and Steiner. At that time, there was a quorum of the Board, and the meeting was conducted as a meeting of the Board; however, only committee members participated in the vote.

Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Director of Finance/Treasurer Harris, Director of Water Resources Weinberg, Director of Administrative Services Brown, Financial Planning Manager Shank, Financial Resources Manager Celaya, and Controller Greek.

**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**

There was no Chair's report.

**DIRECTORS' COMMENTS**

There were no Directors' comments.

**I. CONSENT CALENDAR**

1. Treasurer's Report.

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

Director Muir moved, Director Watton seconded, and the motion to approve staff's recommendations passed unanimously.

## II. ACTION/DISCUSSION

### 1. Investment Policy.

1-A. Presentation on Supranational Securities Investment.

1-B. Adopt Annual Statement of Investment Policy, as amended, and continue to delegate authority to the Treasurer to invest Water Authority funds for calendar year 2015.

Staff recommendation: Adopt the Annual Statement of Investment Policy, as amended, and continue to delegate authority to the Treasurer to invest Water Authority funds for calendar year 2015.

Ms. Harris provided a presentation which addressed Supranational Securities Investments. The presentation included key points, one to five year indices performance, security for the debt, and Supranationals' uses of funds.

Directors made recommendations and asked questions. Staff provided answers to directors' questions. Director Wornham requested staff notify the Board when the portfolio allocation reached five percent.

Vice Chair Wilson moved, Director Weston seconded, and the motion to approve staff's recommendations passed unanimously.

### 2. Progress Report on Fiscal Sustainability Process.

Ms. Harris and Mr. Weinberg provided a presentation on the progress of the Fiscal Sustainability process which included highlights of the November 20, 2014 Administrative and Finance Committee discussion, alternatives under consideration, and upcoming discussions.

Directors made recommendations and asked questions. Staff provided answers to directors' questions. Director Lewinger requested analysis into methods to fund the proposed higher reserve levels. Ms. Stapleton responded that the information would be provided.

### 3. Development of the upcoming Fiscal Years 2016 and 2017 Recommended Budget.

Ms. Stapleton provided a presentation on the upcoming budget. The presentation included a review of the framework of the current budget, highlights of accomplishments to date, identification of key factors impacting the upcoming budget, review of the budget schedule, and a request soliciting Board feedback by mid-February.

## III. INFORMATION

The following items were noted and filed:

1. Controller's Report on Monthly Financial Statements;
2. Board of Directors' Fourth Quarter 2014 Expenses and Attendance, and
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 Arant adjourned the meeting at 3:10 p.m.

**FORMAL BOARD OF DIRECTORS' MEETING OF JANUARY 22, 2015**

1. **CALL TO ORDER** Chair Weston called the Formal Board of Directors' meeting to order at 3:20 p.m.

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

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

Vice Chair Muir called the roll. Directors present were Arant, Ayala, Barnum, Brady, Croucher, Evans, Gallo, Guerin, Hall, Hilliker, Hogan, Lewinger, Miller, Muir, Murtland, Olson, Sanford, Saunders, Saxod, Steiner, Verbeke, Watkins, Watton, Weston, Williams, Wilson and Wornham. Directors absent were Linden (p), Madaffer, Morrison, Preciado, Razak, Simpson, Tu, Wight and Representative Roberts.

3-A **Report on proxies received.** Director Verbeke was the proxy for Director Linden.

4. **ADDITIONS TO AGENDA**

There were no additions to the agenda.

5. **APPROVAL OF MINUTES**

Director Lewinger moved, Director Murtland seconded, and the motion carried at 92.58% of the vote to approve the Minutes of the Formal Board of Directors' meeting of November 20, 2014. Director Hall 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 **Retirement of Director.** Adopt Resolution honoring Jerry Kern upon his retirement from the Board of Directors.

Chair Weston thanked Director Kern for his service to the Water Authority.

Director Arant moved, Director Wornham seconded and the motion carried at 92.58% of the vote to adopt Resolution No. 2015-02 honoring Jerry Kern on his retirement from the Board of Directors.

- 7-B Retirement of Director. Adopt Resolution honoring Dennis Sanford upon his retirement from the Board of Directors.

Chair Weston thanked Director Sanford for his service to the Water Authority. Director Sanford accepted his retirement award and thanked Board Members and Staff.

Director Brady moved, Director Wilson seconded and the motion carried at 92.58% of the vote to adopt Resolution No. 2015-03 honoring Dennis Sanford on his retirement from the Board of Directors.

- 7-C Appointment of Director. Appointment of Jimmy Ayala representing the City of San Diego. Term ending January 2, 2016.  
7-D Appointment of Director. Appointment of Esther Sanchez representing City of Oceanside. Term ending July 15, 2016.  
7-E Appointment of Director. Appointment of Jose Preciado representing South Bay Irrigation District. Term ending September 8, 2018.  
7-F Appointment of Director. Appointment of Matt Hall representing City of Carlsbad. Term ending January 22, 2021. (Supplemental Materials)

Chair Weston announced the appointments of Director Ayala representing the City of San Diego, Director Sanchez representing the City of Oceanside, Director Preciado representing South Bay Irrigation District, and Director Hall representing the City of Carlsbad.

- 7-G Lakeside Water District Overview – Brett Sanders, General Manager

Chair Weston introduced Brett Sanders, General Manager of Lakeside Water District. Mr. Sanders provided a presentation that included a brief history of the district, service boundaries and demands, customer base, and operated facilities and storage. He concluded his presentation with a review of the issues and challenges facing the district.

8. **REPORTS BY CHAIRS**

- 8-A Chairs report: Chair Weston reported on the newly selected Committees. He also announced the upcoming departure of City of San Diego Director Wight.

Chair Weston reported that a Labor Negotiations Work Group had been established and consisted of the Board Officers, Administrative & Finance Committee Chair Arant, and Director Wornham.

He also announced that he had attended the Fall ACWA Board Meeting in December 2014, as well as the ACWA Water Management Committee. He mentioned the attendance and interactions with a large delegation from Australia and briefly reviewed conversation that took place regarding the 10 year Drought in Australia and the Desalination efforts taken as a result. He also mentioned the significant difference in how Australia markets and owns water rights, compared

to California. Chair Weston also reported meeting with representatives from the Building Industry Association to discuss growth and the impact of the Drought.

He stated that the Board had been issued new tablets to access the SDCWA Board Packets and related materials, which replaced previous netbooks and advised Board Members that staff were there to assist with any problems or issues with the tablets.

Chair Weston reported that following the success of the Citizens Water Academy, a second Citizens Water Academy would begin March 5, 2015.

- 8-B Report by Committee Chairs.  
Water Planning Committee. Director Brady reviewed the meeting and actions taken.  
Legislation, Conservation and Outreach Committee. Director Croucher reviewed the meeting and the actions taken.  
Imported Water Committee. Director Watton reviewed the meeting and the actions taken.  
Engineering and Operations Committee. Director Williams reviewed the meeting and the actions taken.  
Administrative and Finance Committee. Director Arant reviewed the meeting and the actions taken.

9. **CONSENT CALENDAR**

Director Lewinger moved, Director Murtland seconded, and the motion carried at 92.58% of the vote to approve the consent calendar. Directors voting no or abstaining are listed under the item number.

9- 1. **Resolution approving Rainbow Municipal Water District's Proposed Campus Park West Annexation.**

The Board adopted **Resolution No. 2015-01** that:

- a) Resolves that the Final Environmental Impact Report (EIR) certified by the County of San Diego as Lead Agency complies with California Environmental Quality Act 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 Rainbow Municipal Water District's proposed Campus Park West 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 Ayala recused himself from item 9-1.

- 9- 2. Professional Services Contract for environmental consulting services for the Pipeline 3 Reline - Lake Murray to Sweetwater Reservoir Segment.  
The Board authorized the General Manager to award a professional services contract to Helix Environmental Planning, Inc., in an amount not-to-exceed \$323,000 to provide environmental consulting services for the Pipeline 3 Relining – Lake Murray to Sweetwater Reservoir project for a term of two years.
- 9- 3. Approve Modifications to Water Authority’s Water Shortage and Drought Response Plan Allocation Methodology.  
The Board approved the following modifications to the Water Authority’s Water Shortage and Drought Response Plan allocation methodology: Temporarily alter the methodology to allow use of water demands in fiscal years 2013 and 2014 as the base period for potential allocations during the current shortage period; and include an additional adjustment pertaining to mandatory use restrictions in place during the base period.
- 9- 4. Amendment to the Partnership Agreement with San Diego Gas & Electric Company for Water and Energy Efficiency Programs.  
The Board authorized the General Manager to execute an amendment to the Partnership Agreement with San Diego Gas & Electric Company (SDG&E) to increase the agreement amount by \$339,640, and extend the agreement by one year. The amended agreement would terminate on December 31, 2015.
- 9- 5. Amend Agreement for Consulting Services with M Strategic Communications.  
The Board amended the agreement with M Strategic Communications for continued consulting services to the Water Authority through December 31, 2015, for a period of 11 additional months, and increasing total contract funding to an amount not to exceed \$326,000.
- 9- 6. Canal Lining Mitigation - Notice of Completion for the Wister Sport Fishery Project.  
The Board authorized the General Manager to accept the Wister Sport Fishery Project as complete, record the Notice of Completion, and release all funds held in retention to Four M Contracting, Inc., following expiration of the notice of completion period.
- 9- 7. Professional services contract for Pipeline 3 Relining – Lake Murray to Sweetwater Reservoir.  
The Board authorized the General Manager to award a professional services contract to Dokken Engineering, in an amount not-to-exceed \$267,972, to provide traffic engineering services for the Pipeline 3 Relining – Lake Murray to Sweetwater Reservoir project.
- 9- 8. Treasurer’s Report.  
The Board noted and filed the monthly Treasurer’s report.

9- 9. Adopt Annual Statement of Investment Policy, as amended, and continue to delegate authority to the Treasurer to invest Water Authority funds for calendar year 2015.  
The Board adopted the Annual Statement of Investment Policy, as amended, and continued to delegate authority to the Treasurer to invest Water Authority funds for calendar year 2015.

9- 10. Action after Engineering and Operations Committee Closed Session  
The Board authorized the General Manager to execute a settlement agreement, as recommended by the General Counsel with L.H. Woods and Sons, Inc. for \$283,140.11 to resolve all claims.

10. **ACTION/DISCUSSION**

10-A Confirm the Submittal for Appointment of Director Brian Brady as the Alternate Representative to the Colorado River Board of California.

Chair Recommendation: Adopt Resolution No. 2015-\_\_\_\_ a Resolution of the San Diego County Water Authority submitting names and requesting appointment by the Governor of Brian Brady as the Water Authority's Alternate Representative to the Colorado River Board of California.  
(Action)

Director Wilson moved, Director Wornham seconded, and the motion carried at 92.58% of the vote to approve the Chair Recommendation.

11. **CLOSED SESSION(S)**

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

11-A **CLOSED SESSION:**

Conference with Legal Counsel - Existing Litigation  
Government Code §54956.9(d)(1) –  
SDCWA v Metropolitan Water District of Southern California;  
Case Nos. CPF-10-510830; CPF-12-512466; and CPF-14-514004

11-B **CLOSED SESSION:**

Conference with Legal Counsel - Existing Litigation  
Government Code §54956.9(d)(1)  
Name of Case: State Water Resources Control Board  
Petition of Imperial Irrigation District for Modification of Revised  
Water Rights Order 2002-0013

11-C **CLOSED SESSION:**

Conference with Legal Counsel – Anticipated Litigation  
Government Code §54956.9(d)(2) – One Case  
Pipeline 3 Relining Sweetwater to Lower Otay Project

12. **ACTION FOLLOWING CLOSED SESSION**



13. **SPECIAL REPORTS**

- 13-A **GENERAL MANAGER'S REPORT** – Ms. Stapleton reminded the Board that a Special Engineering and Operations Committee Meeting would take place at 1:30 p.m. on Thursday, February 12, 2015 regarding the San Vicente Pumped Storage Study.
- 13-B **GENERAL COUNSEL'S REPORT** – Mr. Hentschke stated that a Director had inquired on the status of the San Diego Coastkeeper litigation. He reminded the Board that details were included in his written General Counsel Report, and that the hearing was set for July 21, 2015. He also reported that he would be conducting Ethics Training on February 19, 2015, and that an email would be going out regarding Sexual Harassment and Abusive Conduct Training coming in March of 2015.
- 13-C **SANDAG REPORT** – Vice Chair Muir reported on the changes to the SANDAG Board following the lost election bids of two Vice-Chairs.  
SANDAG Subcommittee: Borders/Regional Planning Committee – Director Saxod announced there was nothing to report at that time.
- 13-D **AB 1234 Compliance Reports** – No reports were given.

14. **OTHER COMMUNICATIONS**

15. **ADJOURNMENT**

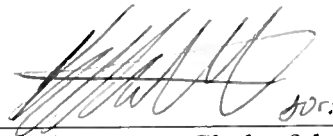
The meeting was adjourned at 3:53 p.m.



Mark Weston, Chair



Mark Muir, Vice Chair



Linda Troyan, Clerk of the Board