

**MINUTES OF THE FORMAL BOARD OF DIRECTORS' MEETING
AUGUST 25, 2016**

ADMINISTRATIVE AND FINANCE COMMITTEE

CALL TO ORDER / ROLL CALL

Chair Arant called the Administrative and Finance Committee meeting to order at 9:00 a.m. Committee members present were Chair Arant, Vice Chair Wilson, and Directors Fong-Sakai, Gallo*, Hilliker*, Kennedy, Lewinger, Muir* Verbeke, Watkins, Weston, and Williams*. Committee members absent were Vice Chair Razak, and Directors Cherashore and Watton. Also present were Directors Boyle, Brady, Evans, Hogan, Guerin, Madaffer, Miller, Olson, and Saxod. At that time, there was a quorum of the Committee.

Staff present was General Manager Stapleton, General Counsel Hattam, Deputy General Manager Kerl, Assistant General Manager Cushman, Director of Finance/Treasurer Harris, and Director of Administrative Services Brown.

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. Monthly Treasurer's Report on Investments and Cash Flow.
Staff recommendation: Note and file the monthly Treasurer's report.
2. Execute a reimbursement resolution for the Capital Improvement Program.
Staff recommendation: Adopt Resolution No. 2016-13 making a declaration of official intent to reimburse certain capital project expenditures from proceeds of future debt obligations.
3. Resolution establishing amount due from the City of San Diego for In-Lieu Charge as a condition of providing water service for Fiscal Year 2017.
Staff recommendation: Adopt Resolution No. 2016-__ establishing an amount due of \$2,096,423.46 from the city of San Diego for the In-Lieu Charge for fiscal year 2017.

* Director Williams arrived at 9:01 a.m.

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

II. ACTION/DISCUSSION/PRESENTATION

1. Amendments to the San Diego County Water Authority Local Conflict of Interest Code.
Staff recommendations:
 - a) Conduct the Public Hearing.
 - b) Adopt Resolution No. 2016-14 approving amendments to the San Diego County Water Authority Local Conflict of Interest Code.

Chair Arant opened the Public Hearing at 9:02 a.m. There were no questions from members of the board. As there were no members of the public who wished to speak, Chair Arant closed the Public Hearing at 9:03 a.m.

* Directors Hilliker and Muir arrived at 9:06 a.m.

Vice Chair Lewinger moved, Director Kennedy seconded, and the motion to approve staffs' recommendations passed unanimously.

2. Ordinance making clean-up and other amendments to chapters 1.16, 2.00, 4.00, 4.04, and 7.00 of the Administrative Code.
Staff recommendation: Adopt Ordinance No. 2016-03, an ordinance of the board of directors of the San Diego County Water Authority making clean-up and other amendments to chapters 1.16, 2.00, 4.00, 4.04, and 7.00 of the Administrative Code.

Mr. Hattam provided a brief presentation on proposed changes to the Administrative Code. He stated the proposed code changes were relatively minor and pertained to the following four areas: provisions for refunds, reorganized oversight of the Small Contractor Outreach and Opportunities Program, Real Property/Right of Way changes, and certain consulting hiring as specified in the Government Code.

Directors asked questions, and Ms. Stapleton and Mr. Hattam provided answers.

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

* Director Gallo arrived at 9:13 a.m.

3. Final Performance Report on the 2014-2019 Business Plan.

Ms. Stapleton provided a presentation on the final performance report on the 2014-2019 Business Plan, including Business Plan planning process, history, and final performance status.

She stated the 2014-2017 Business Plan document and performance status report were available on the Water Authority's website and the 2017-2021 Business Plan was in development and would be presented to the Board at the October 27, 2016 Administrative and Finance Committee meeting.

Chair Arant, and Directors Weston and Muir commended staff on the Business Plan and stressed its value to the Water Authority and member agencies. Director Fong-Sakai highlighted the value of the informative comments on the performance report.

Director Weston made a request for future performance reports regarding the method for tracking performance of future goals, noted currently as not-on-track, to account for events out of Water Authority control.

III. INFORMATION

The following items were noted and filed:

1. Report on Water Authority Memberships.
2. Report on Water Standby Availability Deferrals for Fiscal Year 2017.
3. Controller's Report on Monthly Financial Statements.
4. 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 9:25 a.m.

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

Chair Croucher called the Legislation, Conservation and Outreach Committee to order at 9:35 a.m. Committee members present were Chair Croucher, Vice Chairs Guerin and Steiner, and Directors Gallo, Hilliker, Madaffer, Muir, Saxod and Tu. Committee members absent were Directors Barnum, Hall, Morrison, Preciado and Supervisor Roberts. Other Board members present were Directors Arant, Ayala, Boyle, Brady, Evans, Fong-Sakai, Hogan, Kennedy, Lewinger, Linden, Miller, Olson, Verbeke, Watkins, Watton, Weston, Williams and Wilson. At that time, there was a quorum of the Board, and the meeting was conducted as a meeting of the Board; however, only committee members participated in the vote.

Staff present were General Manager Stapleton, General Counsel Hattam, Deputy General Manager Kerl, Assistant General Manager Cushman, Director of Public Outreach and Conservation Foster, and Government Relations Manager Farrel. Also present was legislative representative V. John White.

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 Croucher reported that on August 3, 2016 Board Officers and LCO Vice-Chair Steiner visited Sacramento for a day of briefings where they met with the San Diego legislative delegation, administration officials, and other key legislators to discuss the Water Authority's energy program.

He announced the next legislative roundtable would be held September 2, 2016 in the Board Room, and the featured guest would be Congressman Scott Peters.

He also announced that the Water Authority received a grant of more than \$18,000 from SDG&E's Palomar Energy Center to support water conservation programs.

I. CONSENT CALENDAR

There were no consent calendar items.

II. ACTION/DISCUSSION/PRESENTATION

1. Legislative Issues.

1-A Washington Report by Ken Carpi.

Chair Croucher acknowledged receipt of the written Washington Report from Carpi & Clay.

1-B Sacramento Report.

Mr. Farrel provided an update on the Little Hoover Commission's ongoing study regarding California special districts.

Mr. White provided a Sacramento report which included a review of two Water Authority-sponsored bills which were on their way to the Governor's office; AB 33 (Quirk) regarding long-duration bulk energy storage resources, and AB 2515 (Weber) regarding model water-efficient landscaping ordinances.

III. INFORMATION

The following information items were noted and filed:

1. Live WaterSmart Campaign Update.
2. Status Report on Legislation and Legislative Positions.
3. 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 10:05 a.m.

ENGINEERING AND OPERATIONS COMMITTEE

CALL TO ORDER / ROLL CALL

Chair Williams called the Engineering and Operations Committee meeting to order at 10:13 a.m. Committee members present were Chair Williams, Vice Chairs Miller and Watkins, and Directors Arant, Ayala, Boyle, Brady, Croucher*, Hogan, Linden, and Olson. Committee members absent were Directors Heinrichs, Morrison, Razak, and Simpson. Also present were Directors Evans, Fong-Sakai, Guerin, Hilliker, Kennedy, Lewinger, Madaffer, Muir, Saxod, Steiner, Tu, Verbeke, Watton, Weston, and Wilson. At that time, there was a quorum of the Board, and the meeting was conducted as a meeting of the Board; however, only committee members participated in the vote.

Staff present was General Manager Stapleton, General Counsel Hattam, Deputy General Manager Kerl, Assistant General Manager Cushman, Director of Operations and Maintenance Fisher, Director of Engineering Reed, Energy Program Director Rodgers, Senior Engineering Manager Bousquet, Operations and Maintenance Manager Schuler, Principal Engineer Kuzmich, and Senior Engineer Fountain.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

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

DIRECTORS' COMMENTS

There were no Directors' comments.

CHAIR'S REPORT

Chair Williams reported that the Energy Subcommittee met in the beginning of August and there would be a full presentation on the San Vicente Energy Storage project later in the meeting, with time for questions and input from the Board. The presentation would be presented in two parts with part one being covered in the committee meeting and part 2 at a later date.

I. CONSENT CALENDAR

1. Professional services contracts with Kleinfelder and Tetra Tech for as-needed structural engineering services.

Staff recommendation: Authorize the General Manager to award professional services contracts to Kleinfelder and Tetra Tech for an amount not-to-exceed \$350,000 each, to provide as-needed structural engineering support services for up to five years.

2. Professional services contracts with Richard Brady & Associates and LEE & RO for as-needed electrical, instrumentation, and controls engineering services.
Staff recommendation: Authorize the General Manager to award professional services contracts to Richard Brady & Associates and LEE & RO, for an amount not-to-exceed \$200,000 each to provide as-needed electrical, instrumentation, and controls engineering support services for up to five years.
3. Service contract with Co's Traffic Control, Inc. for traffic control services.
Staff recommendation: Authorize the General Manager to award a service contract to Co's Traffic Control, Inc. to provide traffic control services for a period of two years, with an option to extend the contract for an additional two years, for a total not-to-exceed amount of \$500,000.

Director Ayala moved, Director Brady seconded, and the motion to pass staffs' recommendation passed unanimously.

II. ACTION/DISCUSSION/PRESENTATION

1. Construction contract with L.H. Woods and Sons, Inc. for the Pipeline 4 Relining at Lake Murray project.
Staff recommendation: Authorize the General Manager to award construction contract to L.H. Woods and Sons, Inc. in the amount of \$6,777,000 for the Pipeline 4 Relining at Lake Murray project.

Mr. Fountain gave a presentation on the Pipeline 4 Relining at Lake Murray project. He provided a description of the project, aerial view of the site, and concluded with an explanation of the bid process.

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

* Director Croucher stepped out at 10:15 a.m. and was not present for the vote. He returned to the meeting at 10:30 a.m.

2. San Vicente Energy Storage Facility Study Update.

Director Hogan, Energy Subcommittee Chair, reported that the Subcommittee met with staff from the Water Authority, City of San Diego, and Navigant and stated that Navigant had provided an update on their analysis of the San Vicente Energy Storage Facility study. The Subcommittee decided to break the presentation into two parts because of the vast amount of information. Part one focused on foundational information on project background, economic analysis, methodology, key risks, and mitigation measures. Part two was scheduled for September 8, 2016 and would focus on potential business models, revenues, and potential partners. He added that the next subcommittee meeting was scheduled for September 1, 2016.

Ms. Rodgers began the presentation with a review of the Water Authority – City of San Diego partnership, history of activities, work deliverables, and a progress update. Paul Maxwell, Director of Energy at Navigant, continued the presentation with preliminary findings; reasons to study pumped storage; scope, size, and schedule of the project; and why electric utilities need energy storage. Mr. Maxwell also discussed how electrical utilities determine project value, risks the City and Water Authority face, and how the City and Water Authority would mitigate key risks. Ms. Rodgers concluded the presentation with a review of the agenda for part two, which would be presented on September 8, 2016 at the Special Engineering and Operations Committee Workshop.

There were lengthy discussions throughout the presentation and a request for a timeline reflecting dollars spent, as well as anticipated payments. There was also a request for a report on a potential joint powers agency.

III. INFORMATION

There were no Information items.

IV. CLOSED SESSION

There were no closed session items.

V. ADJOURNMENT

There being no further business to come before the Engineering and Operations Committee, Chair Williams adjourned the meeting at 12:06 p.m.

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

Chair Watton called the Imported Water Committee meeting to order at 1:00 p.m. Committee members present were Chair Watton, Vice Chairs Saxod and Verbeke, Directors Evans, Guerin, Hogan, Madaffer, Murtland, Olson, Steiner, Weston, Wilson, and Supervisor Roberts. Directors Barnum and Heinrichs were absent. Also present were Directors Arant, Ayala, Brady, Croucher, Fong-Sakai, Gallo, Hilliker, Kennedy, Lewinger, Linden, Miller, Morrison, Muir, Razak, Tu, and Williams. 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 Hattam, Deputy General Manager Kerl, Assistant General Manager Cushman, MWD Program Director Chen, Colorado River Program Director Denham, and Senior Water Resources Specialist Mathews.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

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

At that time the agenda was taken out of order and Mr. Hattam took the Committee into Closed Session at 1:05 p.m.

VI. CLOSED SESSION

1. CLOSED SESSION:

Conference with Legal Counsel – Existing Litigation

Government Code §54956.9(d)(1)

Name of Case: SDCWA v. Metropolitan Water District of Southern California

Case Nos. CPF-10-510830; CPF-12-512466; CPF-14-514004; BS161729;

A146901; and A148266

Mr. Hattam brought the Committee out of Closed Session at 1:33 p.m. and stated there was no reportable action.

CHAIR'S REPORT

Chair Watton updated the Board on the Salton Sea, Bay Delta and California WaterFix. He began with a State Water Resources Control Board Salton Sea update, stating that at the August 16, 2016 board meeting Bruce Wilcox, Assistant Secretary on Salton Sea Policy, reported on the Salton Sea Management Plan and provided timelines for shovel-ready restoration projects. He announced that the lack of identified funding sources remained a critical obstacle in moving forward at the Salton Sea, and that a Salton Sea focused workshop would be held in the fall.

He also mentioned that since the last committee meeting there were many WaterFix news headlines reported, including that the Department of Water Resources (DWR) and the Bureau had released a revised biological assessment for WaterFix, beginning the formal consultation process with regulatory agencies. He added DWR and the Bureau had reinitiated consultation for the State Water Project's existing biological opinions.

Chair Watton reported Assemblywoman Eggman, Senator Wolk, and the Legislature's Joint Audit Committee had approved an audit of California WaterFix. The audit would consist of DWR's use of funding sources for WaterFix planning, which was interesting considering the federal government were investigating an allegation that the Bureau improperly used federal funds for the tunnel project. Lastly, he announced the Delta Stewardship Council (DSC) appealed the June 24 ruling of the Sacramento Superior Court that invalidated the Delta Plan, and the DSC claimed that the Delta Plan was the only "comprehensive management plan" for the Delta.

DIRECTORS' COMMENTS

There were no Directors' comments.

I. CONSENT CALENDAR

There were no consent calendar items.

II. ACTION/DISCUSSION

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

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

- 1-B Metropolitan Water District IRP Update.

Ms. Chen provided an update on MWD's Integrated Water Resources Plan reviewing background, concerns with IRP, WaterFix uncertainties, key questions to MWD, and next steps.

Mr. Cushman provided an overview of foundational facts related to long-term planning including purpose, timeline, MWD's available supplies and demands, and their pending supply costs. He reviewed the Water Authority's supply diversification projecting out to 2035, and concluded with comparing melded rates and reliability.

Following the presentation, Directors asked questions and made comments.

2. Colorado River Programs.

At that time Chair Watton took the agenda items out of order.

- 2-B Colorado River Hydrology for 2017/2018.

Ms. Mathews provided an overview of Colorado River hydrology projections and drought contingency planning efforts.

Following the presentation, Directors asked questions and made comments.

- 2-A Colorado River Board Representative's Report.

Director Wilson reported on discussions at the July 2016 Colorado River Board meeting, which was held in Bishop, CA in tandem with a tour of Los Angeles Department of Water and Power Facilities in the Owens Valley.

Directors Wilson and Brady made comments on the Owens Valley tour and shared photos with the Board.

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 Watton adjourned the meeting at 2:40 p.m.

WATER PLANNING COMMITTEE

CALL TO ORDER/ROLL CALL

Director Tu called the Water Planning Committee meeting to order at 2:44 p.m. Committee members present were Chair Tu, Vice Chairs Brady and Evans, and Directors Ayala*, Fong-Sakai, Kennedy, Lewinger, Linden, Miller, Murtland and Preciado. Absent were Directors Boyle, Cherashore, Hall and Simpson. Also present were Directors Arant, Croucher, Gallo, Guerin, Hilliker, Hogan, Madaffer, Morrison, Muir, Olson, Razak, Saxod, Steiner, Verbeke, Watkins, Watton, Weston, Williams and Wilson. At that time, there was a quorum of the Board, and the meeting was conducted as a meeting of the Board; however, only committee members participated in the vote.

Staff present was General Manager Stapleton, General Counsel Hattam, Deputy General Manager Kerl, Assistant General Manager Cushman, Water Resources Director Yamada, Water Resources Manager Frieauf, and Principal Water Resources Specialist Putnam.

ADDITIONS TO THE AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

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

CHAIR'S REPORT

Director Tu welcomed those present and briefly reviewed the meeting agenda. She announced the recently posted state conservation standards indicated no emergency cutbacks would be required. She also announced General Manager Stapleton would be a member of the State Water Resources Control Board's newly formed Urban Advisory Group on water use efficiency, with its first meeting on August 15, 2016. She then called upon Ms. Frieauf to briefly report on Governor Brown's May 2016 Executive Order and the new water use efficiency targets and related tentative schedule, after which she received comments from Directors Guerin, Kennedy, Razak, Lewinger, and Arant.

DIRECTORS' COMMENTS

There were no Directors' comments.

I. CONSENT CALENDAR

There were no consent calendar items.

* Director Ayala arrived at 3:14 p.m.

II. ACTION/DISCUSSION/PRESENTATIONS

1. Resolution Certifying the Final Supplement to the Precise Development Plan and Desalination Plants Project Final Environmental Impact Report (SEIR); Adopting Environmental Findings of Fact, Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program; and Authorizing Filing of a Notice of Determination.

Staff recommendation: It is recommended the Board adopt a Resolution that Certifies the Final SEIR has been completed in compliance with the California Environmental Quality Act (CEQA) and State CEQA Guidelines, and reflects the independent judgment of the Board; Concurrently adopts the Environmental Findings of Fact, Statement of Overriding Consideration and a Mitigation Monitoring and Reporting Program; and Authorizes the filing of a Notice of Determination.

2. Claude "Bud" Lewis Carlsbad Desalination Plant Water Purchase Agreement Contract Administration Memorandum Regarding the Proposed Intake and Discharge System Modifications.

Staff recommendation: Authorize the General Manager to execute this Water Purchase Agreement Contract Administration Memorandum (CAM) between the Water Authority and Poseidon Resources (Channelside) LP for implementation of the intake and discharge modifications (Modifications) for the Lewis Carlsbad Desalination Plant (CDP).

In a joint oral report, Mr. Yamada presented information on the Contract Administration Memorandum (Item 2) and Ms. Putnam presented information on the Final Supplemental Environmental Impact Report (Item 1) for the Claude "Bud" Lewis Carlsbad Desalination Plant Intake and Discharge Modifications.

Mr. Yamada then presented information on comments correspondence received via email on August 24, 2016, from the Regional Water Quality Control Board on Item 1, a copy of which was distributed to Directors with a supplemental staff report at the onset of the Water Planning Committee meeting. Of the six comments submitted by the Regional Board, Mr. Yamada reported that staff concurred with one, and made necessary edits to three statements within the SEIR, and that none of the comments would prohibit the Board from approving the staff recommendation for Item 1.

Director Brady moved, Director Linden seconded, and the motion to approve staffs' recommendation for Item 1, with the Final SEIR amended as specified in the August 25, 2016, staff report, passed unanimously.

Director Ayala moved, Director Kennedy seconded, and the motion to approve staffs' recommendation for Item 2 passed unanimously.

III. INFORMATION

The following information items were noted and filed:

1. Emergency Storage Project Storage Requirements.
2. Water Resources report.

IV. CLOSED SESSION

There were no closed session items.

V. ADJOURNMENT

Chair Tu adjourned the meeting at 3:40 p.m.

FORMAL BOARD OF DIRECTORS' MEETING OF AUGUST 25, 2016

1. **CALL TO ORDER** Chair Weston called the Formal Board of Directors' meeting to order at 3:46 p.m.

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

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

Secretary Madaffer called the roll. Directors present were Arant, Ayala, Croucher, Evans, Fong-Sakai, Gallo, Guerin, Hilliker, Hogan, Kennedy, Lewinger, Linden, Madaffer, Miller, Morrison, Muir, Murtland, Olson, Preciado, Razak, Saxod, Steiner, Tu, Watton, Williams, Weston, and Supervisor Roberts. Directors absent were Barnum (p), Boyle, Brady, Cherashore, Hall (p), Heinrichs, Simpson, Verbeke (p), Watkins, and Wilson.

3-A **Report on proxies received.** Director Lewinger was the proxy for Director Hall, Director Linden was the proxy for Director Verbeke, and Director Weston was the proxy for Director Barnum.

4. **ADDITIONS TO AGENDA**

There were no additions to the agenda.

5. **APPROVAL OF MINUTES**

Director Fong-Sakai moved, Director Murtland seconded, and the motion carried at 89.31% of the vote to approve the minutes of the Formal Board of Directors' meeting of July 28, 2016.

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

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

7. 7-A Recognition of Ben Hebel, Senior Information Systems Analyst, Employee of the 4th Quarter.

Chair Weston recognized Employee of the 4th Quarter Ben Hebel.

8. **REPORTS BY CHAIRS**

8-A Chairs report: Chair Weston reported on various meetings and engagements he attended including meeting with the UT editorial board on August 1 regarding water supply planning, the “Live WaterSmart” initiative, and our desire to establish wholesale transmission tariff with SDG&E for moving electricity across the system, an August 2 Energy Taskforce Committee meeting, and a meeting in Sacramento on August 3 with Directors Steiner and Madaffer, where they met with several Assembly Members and Senators from San Diego to brief them on the issue of establishing a wholesale tariff for power transmission.

He announced the Water Authority had received a prestigious award of merit in the Annual Global Best Projects Competition from the publication of Engineering News Record for the Emergency and Carryover Storage Project. The award is a global award and was the only award of merit in the wastewater category.

1. Notice of pending Appointment of a Water Authority Delegate to MWD.

Chair Weston asked Directors who were interested in serving as a MWD Delegate to report back to him. He stated the Delegate appointment would be announced at the September 22, 2016 Formal Board Meeting.

2. Nomination of Board Officers.

Chair Weston called for nominations for Board Officers from the floor, not seeing any he closed the nomination period and announced the nominations as follows: Mark Muir for Board Chair, Jim Madaffer for Vice Chair, and Gary Croucher for Secretary. Nominations would be voted on during the September 22, 2016 Formal Board Meeting.

- 8-B Report by Committee Chairs:
Administrative and Finance Committee. Director Arant reviewed the meeting and the action taken.
Legislation, Conservation and Outreach Committee. Director Croucher reviewed the meeting and stated no action was taken.
Engineering and Operations Committee. Director Williams reviewed the meeting and the action taken

Imported Water Committee. Director Watton reviewed the meeting and stated that no action was taken.

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

9. **CONSENT CALENDAR**

Director Tu moved, Director Arant seconded, and the motion carried at 89.31% of the vote to approve the consent calendar. Directors voting no or abstaining are listed under the item number.

- 9- 1. Monthly Treasurer's Report on Investments and Cash Flow.
The Board noted and filed monthly Treasurer's Report.
- 9- 2. Execute a reimbursement resolution for the Capital Improvement Program.
The Board adopted Resolution 2016-13 making a declaration of official intent to reimburse certain capital project expenditures from proceeds of future debt obligations.
- 9- 3. Resolution establishing amount due from the City of San Diego for the In-Lieu Charge as a condition of providing water service for Fiscal Year 2017.
The Board adopted Resolution No. 2016-14 establishing an amount due of \$2,096,423.46 from the city of San Diego for the In-Lieu Charge for fiscal year 2017.
- 9- 4. Amendments to the San Diego County Water Authority Local Conflict of Interest Code.
The Board conducted the Public Hearing and adopted Resolution No. 2016-15 approving amendments to the San Diego County Water Authority Local Conflict of Interest Code.
- 9- 5. Ordinance making clean-up and other amendments to chapters 1.16, 2.00, 4.00, 4.04, and 7.00 of the Administrative Code.
The Board adopted Ordinance No. 2016-03, an ordinance of the board of directors of the San Diego County Water Authority making clean-up and other amendments to chapters 1.16, 2.00, 4.00, 4.04, and 7.00 of the Administrative Code.
- 9- 6. Professional services contracts with Kleinfelder and Tetra Tech for as-needed structural engineering services.
The Board authorized the General Manager to award professional services contracts to Kleinfelder and Tetra Tech for an amount not-to-exceed \$350,000 each, to provide as-needed structural engineering support services for up to five years.

- 9- 7. Professional services contracts with Richard Brady & Associates and LEE & RO for as-needed electrical, instrumentation, and controls engineering services.
The Board authorized the General Manager to award professional services contracts to Richard Brady & Associates and LEE & RO, for an amount not-to-exceed \$200,000 each to provide as-needed electrical, instrumentation, and controls engineering support services for up to five years.
- 9- 8. Service contract with Co's Traffic Control, Inc. for traffic control services.
The Board authorized the General Manager to award a service contract to Co's Traffic Control, Inc. to provide traffic control services for a period of two years, with an option to extend the contract for an additional two years, for a total not-to-exceed amount of \$500,000.
- 9- 9. Construction contract with L.H. Woods and Sons, Inc. for the Pipeline 4 Relining at Lake Murray project.
The Board authorized the General Manager to award a construction contract to L.H. Woods and Sons, Inc. in the amount of \$6,777,000 for the Pipeline 4 Relining at Lake Murray project.
- 9- 10. Resolution Certifying the Final Supplement to the Precise Development Plan and Desalination Plant Project Final Environmental Impact Report (SEIR); Adopting Environmental Findings of Fact, Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program; and Authorizing Filing of a Notice of Determination.
The Board adopted Resolution No. 2016-16 that:
a) Certified the Final SEIR, as amended in the August 25, 2016 staff report, has been completed in compliance with the California Environmental Quality Act (CEQA) and State CEQA Guidelines, and reflects the independent judgment of the Board;
b) Concurrently adopted the Environmental Findings of Fact, Statement of Overriding Consideration and a Mitigation Monitoring and Reporting Program;
c) Authorized the filing of a Notice of Determination.
- 9- 11. Claude "Bud" Lewis Carlsbad Desalination Plant Water Purchase Agreement Contract Administration Memorandum Regarding the Proposed Intake and Discharge System Modifications.
The Board authorized the General Manager to execute this Water Purchase Agreement Contract Administration Memorandum (CAM) between the Water Authority and Poseidon Resources (Channelside) LP for implementation of the intake and discharge modifications (Modifications) for the Lewis Carlsbad Desalination Plant (CDP).

10. **ACTION/DISCUSSION**

10-A Approve the Audit Committee's recommendation of Davis Farr LLP as independent auditor for a five-year period covering the financial audits of FY2017–FY2021.

Audit Committee recommendation: Approve the selection of Davis Farr, LLP as the Water Authority's and QSA JPA's independent auditor, and to authorize the General Manager to enter into an agreement with Davis Farr, LLP, for independent audits for a five-year period from January 1, 2017 through December 31, 2021, for a not-to-exceed amount of \$357,980.

Director Murtland briefly reviewed the Audit Committee recommendation and introduced Controller Woidzik, who provided a presentation on the Audit Committee process and final selection of the recommended auditor.

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

11. **SPECIAL REPORTS**

11-A GENERAL MANAGER'S REPORT – Ms. Stapleton stated she had nothing further to report.

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

11-C SANDAG REPORT – No report was given.
SANDAG Subcommittee: Borders/Regional Planning Committee – Director Saxod provided an update on the SANDAG Transit Mitigation Program.

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

12. **CLOSED SESSION(S)**

Mr. Hattam stated there was no need for closed session.

12-A Conference with Legal Counsel - Existing Litigation
Government Code §54956.9(d)(1)
Name of Case: SDCWA v. Metropolitan Water District of Southern California; Case Nos. CPF-10-510830; CPF-12-512466; CPF-14-514004; BS161729; A146901; and A148266

13. **ACTION FOLLOWING CLOSED SESSION**

14. **OTHER COMMUNICATIONS**

15. **ADJOURNMENT**

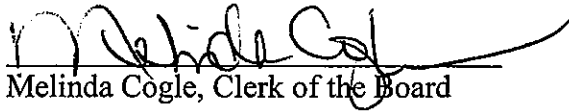
The meeting was adjourned at 4:08 p.m.



Mark Weston, Chair



Jim Madaffer, Secretary



Melinda Cogle, Clerk of the Board