

**MINUTES OF THE FORMAL BOARD OF DIRECTORS' MEETING  
DECEMBER 8, 2011**

**IMPORTED WATER COMMITTEE**

**CALL TO ORDER / ROLL CALL**

Chair Watton called the Imported Water Committee meeting to order at 9:02 a.m. Committee members present were Vice Chair Arant, Directors Bond, Brady, Knutson, Lewinger, Linden, McIntosh, Steiner, Weston, Wight, and Wilson. Vice Chair Tu and Directors Heidel and Morrison were absent. Also present were Directors Hogan, Smith, and Wornham. At that time, there was a quorum of the committee.

Staff present included General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Kerl and Belock, Colorado River Program Director Razak, MWD Program Chief Chen, and others.

Chair Watton welcomed Director Weston as the newest member of the Board.

**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.

Chair Watton asked General Counsel Hentschke to take the Committee into closed session. Mr. Hentschke took the Committee into closed session at 9:04 a.m.

**IV. CLOSED SESSION**

1. CLOSED SESSION:  
Conference with Legal Counsel – Existing Litigation  
Government Code §54956.9(a)  
Name of Case: QSA Judicial Council Coordination Proceeding No. 4353
  
2. CLOSED SESSION:  
Conference with Legal Counsel – Existing Litigation and Potential Litigation  
Government Code §54956.9(a) – SDCWA v Metropolitan Water District of Southern California; Case No. CPF-10-510830  
Government Code §54956.9(c) – One Case

Mr. Hentschke brought the Committee out of Closed Session at 10:51 a.m. and stated that there was no reportable action.

## **CHAIR'S REPORT**

Chair Watton reported that State Water Project Table A allocation for 2012 were at 60 percent, which would provide MWD with approximately 1.15 million acre-feet. He also informed the Board that Imperial Irrigation District was expected to go over its apportionment of water this year. Chair Watton announced that the Coachella Canal Lining project was transferred from construction status to operations and maintenance status. He pointed out that with this step, the Water Authority would be able to receive \$960,000 in state funds that were retained by the Department of Water Resources. Chair Watton also reported that Coachella Valley Water District had 4,850 af/yr available for canal lining project environmental mitigation purposes, but only estimated to have used 2,585 af of water in calendar year 2011. The remaining 2,265 af would become available to the Water Authority.

### **I. CONSENT CALENDAR**

1. Amend agreement for Special Consulting Services with SCN Strategies.  
Staff recommendation: Amend the agreement with SCN Strategies for continued special consulting services to the Water Authority through June 30, 2013, for a period of 17 additional months, and increasing total funding to an amount not-to-exceed \$387,500.

Director Steiner made a motion and Director Knutson seconded the motion. The motion passed unanimously to approve the staff recommendation.

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

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

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

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

Director Knutson announced that the report was available in the board supplemental materials packet.

### **III. INFORMATION**

The following item was continued to the January 26, 2012 Board meeting:

1. Presentation on Draft Environmental Impact report on Delta Plan.

The following information item was noted and filed:

2. 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 10:56 a.m.

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

Chair Knutson called the Engineering and Operations Committee to order at 11:02 a.m. Committee members present were Chair Knutson, Vice Chairs Dailey and Pocklington, Directors Bailey, Ferguson, Hogan, Lewinger, McIntosh, Miller, Mudd, Morrison, Saxod, Smith, Williams and Wilson. There was a quorum of the Committee. Other Board members present were Directors Arant, Bond, Boyle, Brady, Croucher, Douglas, Heidel, Hilliker, Linden, Price, Steiner, Topolovac, Tu, Walson, Watton, and Weston.

Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Director of Engineering Rose, Director of Operations and Maintenance Eaton, Lead Construction Administrator Griffis and Water Resources Manager Purcell.

**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 Knutson welcomed new Board members Miller and Topolovac. Chair Knutson and Mr. Belock introduced special guests from Mexico visiting the Water Authority through the International Water Association's Water Operator Partnership.

**I. CONSENT CALENDAR**

There were no Consent Calendar items on the agenda.

**II. ACTION/DISCUSSION**

1. San Vicente Dam Raise.  
1-A Construction Update.

1-B Change Orders to Shimmick/Obayashi Joint Venture for the San Vicente Dam Raise Package 3 – Roller Compacted Concrete Dams and Appurtenant Facilities project.

Staff recommendation: Accept Shimmick/Obayashi Joint Venture Change Orders 17 and 18 for \$324,127; and authorize the General Manager to execute Change Orders for up to \$750,000 to address design modifications, differing site conditions and outside agency requirements, increasing the authorized contract amount from \$142,709,806.70 to \$143,783,933.70.

Mr. Rose gave a construction update. Mr. Griffis gave a presentation on the change orders. Following a few questions from the Committee, Director Lewinger moved, Director Ferguson seconded and the motion to accept staff's recommendation passed unanimously.

### III. INFORMATION

1. Presentation on San Vicente Tunnel and Pipeline Systems Projects.

Mr. Belock and Mr. Purcell gave a presentation on the San Vicente Tunnel and Pipeline projects.

2. Proposed PUC modifications affecting existing solar projects.

This item was continued to the January 26, 2011 Board meeting.

### IV. CLOSED SESSION

The Committee went into Closed Session at 12:11 p.m.

1. CLOSED SESSION:  
Conference with Legal Counsel – Existing Litigation  
Government Code §54956.9(a) – Traylor-Shea Joint Venture v  
SDCWA; Case No. 37-2009-00090545-CU-BC-CTL  
Traylor-Shea Joint Venture v SDCWA;  
Case No. 37-2011-00092666-CU-BC-CTL

Mr. Hentschke brought the Committee out of Closed Session at 12:28 p.m. He announced the Committee authorized the General Counsel and Special Counsel to execute a settlement agreement for Case No. 37-2009-00090545-CU-BC-CTL according to instructions given in Closed Session. The vote was unanimous.

### V. ADJOURNMENT

There being no further business to come before the Engineering and Operations Committee, Chair Knutson adjourned the meeting at 12:30 p.m.

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

Director Wight called the Administrative and Finance Committee meeting to order at 1:40 p.m. Committee members present were Chair Wight, Vice Chairs Bond and Croucher, Directors Arant, Bailey, Brady, Dion, Douglas, Hilliker, Price, Saunders, Smith, Topolavac 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.

Also present were Directors Boyle, Dailey, Ferguson, Hogan, Jungreis, Heidel, Knutson, Lewinger, Linden, McIntosh, Miller, Mudd, Pocklington, Saxod, Steiner, Tu, Walson, Watton, Weston, Williams, and Wilson. Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Director of Finance/Treasurer Sandler, Controller Greek, Director of Human Resources Leone, and Director of Administrative Services Young.

**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, however there was a speaker later in the meeting for the Special Agricultural Water Rate Program item.

**CHAIR'S REPORT**

Chair Wight announced the 2010-2011 Comprehensive Annual Financial Report would be distributed at the Formal Board meeting and congratulated Eric Sandler and staff for a clean audit and a job well done. She also mentioned there was an updated Board Calendar provided to them.

**DIRECTORS' COMMENTS**

There were no Directors' comments.

**I. CONSENT CALENDAR**

1. Vote Entitlement Resolution for Calendar Year 2012.  
Staff recommendation: Adopt Resolution No. 2011-\_\_\_ establishing the vote and representative entitlements of each member agency to be effective January 1, 2012.

Director Dion moved, Director Saunders seconded, and the motion passed unanimously to approve the consent calendar.

## II. ACTION/DISCUSSION

1. Ordinance requiring member agencies to pass the entire Special Agricultural Water Rate Program discount to the Program users.

Staff recommendation: Adopt Ordinance No. 2011-\_\_\_ requiring member agencies to pass the entire Special Agricultural Water Rate Program discount to the Program users.

Ms. Frieauf gave a brief presentation on the Special Agricultural Water Rate Program reviewing the background, the revised program that will begin January, 2013, program intent, purpose of the ordinance, and the requirements.

Ms. Frieauf explained there was an alternative staff recommendation, which was to approve the ordinance but modify the effective date from April 1 to June 30, 2012.

Chair Wight announced there was one public speaker on this item and introduced Casey Anderson from the San Diego County Farm Bureau.

Mr. Anderson made a few comments in favor of the staff recommendation. Directors made a few comments and asked questions. Director Hilliker moved the motion to approve the alternative recommendation, Director Croucher seconded, and the motion passed unanimously to approve the alternative staff recommendation.

2. Presentation on Fiscal Sustainability Project Overview.

Mr. Sandler reviewed the agenda. Mr. Weinberg explained the history of the Water Authority covering major reliability planning decisions, annual debt service and CIP projects, rate and charge development, and business cycle volatility and impacts. Mr. Sandler reviewed the existing rate and charge structure and stated that it had worked well for the Water Authority. He also explained changes in the environment had resulted in new challenges, and identified how the focus of the project would be to make continuous improvements to rates and charges to meet new challenges. Mr. Sandler reviewed several questions and potential discussion topics that the Fiscal Sustainability project would include the project approach and timeline for the Workgroup. Chair Wight thanked Mr. Sandler and Mr. Weinberg for the presentation then handed it over to Director Hogan to describe the Workgroup. Chair Hogan announced that he appointed Barbara Wight to Chair the Workgroup and appointed Directors Bond, Croucher, Dion, Smith, and Wornham to serve on the committee.

3. Treasury Management.

3-A Annual Statement of Investment Policy, as amended, and continue to delegate authority to the Treasurer to invest Water Authority funds for calendar year 2012.

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 2012.

3-B Presentation on monthly Treasurer's report.

Chair Wight announced due to time, the Treasurer's report presentation would be continued to the January, 2012 Board meeting. Chair Wight mentioned that item 3-A would be presented by David Shank and he would then introduce Richard Babbe of PFM Asset Management, LLC regarding administrative and policy changes made to the Investment Policy. Mr. Shank reviewed background information on the Annual Statement of Investment Policy and introduced Senior Managing Consultant, Mr. Babbe from PFM, who was hired as a third-party consultant to conduct a comprehensive review of the investment policy and investment portfolio. Mr. Babbe gave a brief presentation starting with PFM's company profile and accomplishments. He then explained the scope of the engagement, a summary of findings, and recommended policy changes. He stated that a mark-up copy was provided in the board packet.

Director Douglas moved the motion, seconded by Director Arant and the motion passed unanimously to adopt the staff recommendation.

**III. INFORMATION**

1. Controller's report.
2. 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 Wight adjourned the meeting at 2:22 p.m.

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

Chair Dion called the Water Planning Committee Meeting to order at 2:30 p.m. Committee members present were Chair Dion, Vice Chairs Price and Saunders, Directors Boyle, Ferguson, Heidel, Hogan\*, Jungreis, Linden, Pocklington\*, Steiner, Walson, Watton and Williams. Also present were Directors Arant, Bailey, Bond, Brady, Croucher, Dailey, Douglas, Lewinger, McIntosh, Miller, Saxod, Smith, Topolovac, Tu, Weston, Wight, 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, Assistant General Manager Cushman, Water Resources Director Weinberg, Water Resources Managers Purcell and Roy, Principal Water Resources Specialist Frieauf and Operations and Maintenance Manager Galleher.

## **PUBLIC COMMENT**

There were no public comments.

## **DIRECTORS' COMMENTS**

There were no comments made by Directors.

## **CHAIR'S REPORT**

Chair Dion advised that proposed refinements by staff to the Water Authority's Supply Allocation Methodology would be presented for review and discussion in January and at a committee workshop in February for possible action in March. Chair Dion also reported that the San Diego Regional Water Management Program was updating the 2007 San Diego Integrated Regional Water Management Plan and staff would present details to the committee in January. In addition, a progress report on 2011-2012 committee goals would be provided in January, and both the Carlsbad Desalination Project Water Purchase Agreement and the Regional Water Facilities Master Plan would require more of the committee's time in the year ahead.

## **I. CONSENT CALENDAR**

1. Professional services contract to Helix Environmental Planning, Inc. to provide environmental construction monitoring and support services for a 24-month period for a not-to-exceed amount of \$315,000.  
Staff recommendation: Authorize the General Manager to execute a professional services contract with Helix Environmental Planning, Inc. to provide environmental construction monitoring and support services for a 24-month period for a not-to-exceed amount of \$315,000.

Director Steiner moved, Director Ferguson seconded, and the motion passed unanimously to approve the staff recommendation.

\*Directors Hogan and Pocklington arrived at 2:33 p.m.

## **II. ACTION/DISCUSSION**

1. Presentation on Indirect Potable Reuse/local supply.

Mr. Weinberg introduced Ms. Marci Steirer, Deputy Director Public Utilities Department for the city of San Diego. Ms. Steirer provided a comprehensive presentation on the city's advanced water purification facility and the water purification demonstration project. Ms. Steirer responded to questions from Directors Pocklington and Jungreis.

Mr. Weinberg presented a short video in draft form on indirect potable reuse produced by Water Authority and member agency staff. Ms. Stapleton confirmed the finished video would be distributed to member agencies and made available on the Water Authority's website.

2. Presentation on status of Carlsbad Desalination Project.

Mr. Weinberg provided an update on activities associated with the Carlsbad Desalination Project including status of term sheet conditions precedent, status of water purchase agreement negotiations, status of due diligence activities and status of water authority distribution improvements. Mr. Galleher provided remarks on the assessment of Pipeline 3, and Mr. Weinberg provided information on remaining conveyance and distribution system improvements. Mr. Weinberg reviewed next steps, and reported staff would provide a comprehensive project schedule in January that would lead to a draft water purchase agreement for the board's consideration. Staff responded to questions posed by Director Brady regarding the electrical costs and reliability.

**III. INFORMATION**

Chair Dion advised the following would be postponed:

1. Presentation on water supply and demand conditions

The following item was received and filed:

2. Water Resources report

**IV. CLOSED SESSION**

There were no Closed Session items.

**V. ADJOURNMENT**

Chair Dion adjourned the meeting at 3:10 p.m.

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

Chair Saxod called the Legislation, Conservation and Outreach Committee to order at 3:14 p.m. Committee members present were Chair Saxod, Vice Chairs Hilliker and Jungreis, and Directors Croucher, Dailey, Miller, Topolovac, Tu, Walson, Weston, and Wornham. Committee members absent were Directors Boyle, Douglas, and Mudd. Other Board members present were Directors Arant, Bailey, Bond, Brady, Dion, Ferguson, Heidel, Hogan, Lewinger, Linden, McIntosh, Pocklington, Price, Smith, Steiner, Watton, Wight, 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 Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Director of Public Outreach and Conservation Foster, Public Affairs Senior Manager Westford, and Government Relations Manager Volberg.

**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 Saxod announced that Administrative Assistant Rodriguez would be retiring on December 29, 2011, and thanked her for her 20 years of service.

She also announced that the third Water Talks was scheduled for January 31, 2012, in the South County. The topic would focus on emergency storage and maintaining safe and secure pipelines. She advised more information would be forthcoming.

Chair Saxod welcomed Board members Miller, Topolovac, and Weston to the Legislation, Conservation, and Outreach Committee.

## **DIRECTORS' COMMENTS**

Director Hilliker announced that Director Arant had received the first Friend of Agriculture Award at the Annual Farm Bureau Farmer of the Year Dinner.

### **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. Carpi reported on issues in Washington, D.C. He introduced Mr. Tyler Kruzich, Principal at Carpi & Clay, who provided a summary of federal government bills relating to water policy.

Mr. Clay reported on issues in Sacramento.

1-B Adopt proposed 2012 Legislative Policy Guidelines.

Staff recommendation: Adopt the proposed 2012 Legislative Policy Guidelines.

Director Dailey moved, Director Wornham seconded, and the item was discussed. Director Jungreis requested to amend the Water Use Efficiency section by adding a bullet that supported reasonable tracking of water use in the commercial industrial and institutional sector and opposed legislation that creates unachievable best management practices in commercial industrial and institutional enterprises in the San Diego region.

Chair Saxod requested the Power Supply section, under item number 5, be amended to broaden the type of projects, not only to include desalination projects.

Chair Saxod called for the question for adopting the amended Legislative Guidelines and the motion passed unanimously.

1-C Sponsorship of two bills in the state Legislature to address water quality standards.

Staff recommendation: Sponsor legislation that:

1. Moves augmentation of raw water supplies with advanced treated purified water and direct potable reuse to the Health and Safety Code, instead of defining it as a waste in the Water Code.
2. Requires the State Water Resources Control Board to develop a policy that matches standards for fluoride in wastewater and recycled water with standards for drinking water in which the state has mandated the addition of fluoride.

Director Weston moved, Director Tu seconded and the motion passed unanimously to sponsor legislation that moves augmentation of raw water supplies with advanced treated purified water and direct potable reuse to the Health and Safety Code, instead of defining it as a waste in the Water code.

Director Tu moved, Director Jungreis seconded, and the motion passed unanimously to sponsor legislation that requires the State Water Resources Control Board to develop a policy that matches standards for fluoride in wastewater and recycled water with standards for drinking water in which the state has mandated the addition of fluoride.

### **III. INFORMATION**

The following items were received and filed:

1. Water Conservation Program evaluations.
2. Small Contractor Outreach and Opportunities Program Quarterly report.
3. Quarterly report on Public Outreach and Conservation activities.
4. Government relations update

### **IV. ADJOURNMENT**

There being no further business to come before the Legislation, Conservation and Outreach Committee, Chair Saxod adjourned the meeting at 3:51 p.m.

**FORMAL BOARD OF DIRECTORS' MEETING OF DECEMBER 8, 2011**

1. **CALL TO ORDER** Chair Hogan called the Formal Board of Directors' meeting to order at 4:00 p.m.
2. **SALUTE TO THE FLAG** Director Weston led the salute to the flag.
3. **ROLL CALL, DETERMINATION OF QUORUM**  
Secretary Smith called the roll. Directors present were Arant, Bailey, Bond, Brady, Dailey, Dion, Ferguson, Heidel, Hilliker, Hogan, Jungreis, Lewinger, Linden, McIntosh, Miller, Pocklington, Price, Saunders, Saxod, Smith, Topolovac, Tu, Walson, Watton, Wight, Williams, Wilson, and Wornham. Directors absent were Boyle, Croucher, Douglas, Knutson, Morrison, Mudd, Steiner, and Representative Slater-Price.  
  
3-A **Report on proxies received.** Director Watton was the proxy for Director Croucher.
4. **ADDITIONS TO AGENDA** There were no additions to the agenda.
5. **APPROVAL OF MINUTES** Director Pocklington moved, Director Saxod seconded, and the motion carried at 88.39% of the vote to approve the minutes of the Formal Board of Directors' meeting of October 27, 2011. Directors McIntosh and Weston 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.** The Board adopted **Resolution No. 2011-23** honoring Howard Williams upon his retirement from the Board of Directors.  
  
Director Wight moved, Director Dailey seconded, and the motion carried at 92.14% of the vote to adopt Resolution No. 2011-23.  
  
7-B **Appointment of Director.** Marty Miller representing Vista Irrigation District. Term expires November 22, 2017.  
  
7-C **Retirement of Director.** The Board adopted **Resolution No. 2011-24** honoring Mark Muir upon his retirement from the Board of Directors.  
  
Director Bond moved, Director Pocklington seconded, and the motion carried at 92.14% of the vote to adopt Resolution No. 2011-24.

- 7-D Appointment of Director. Robert Topolovac representing Olivenhain Municipal Water District. Term expires August 4, 2014.
- 7-E Presentation of Directors' service certificates. Directors Lewinger and Wornham were presented certificates for their years of service.
- 7-F Recognition of employee of the 1<sup>st</sup> quarter, Gary Tannahill, Facilities Services Technician. Mr. Tannahill was honored and received his award.

8. **REPORTS BY CHAIRS**

- 8-A Chairs report: Chair Hogan: Chair Hogan announced the upcoming Water Talks event scheduled for January 31, 2012.
- 8-B Report by Committee Chairs.
  - Imported Water Committee. Director Watton reviewed the meeting and the actions taken.
  - Engineering and Operations Committee. Director Dailey reviewed the meeting and the actions taken.
  - Administrative and Finance Committee. Director Wight reviewed the meeting and the actions taken.
  - Water Planning Committee. Director Dion reviewed the meeting and the actions taken.
  - Legislation, Conservation and Outreach Committee. Director Saxod reviewed the meeting and the actions taken.

9. **CONSENT CALENDAR**

- Director Tu moved, Director Heidel seconded, and the motion carried at 92.14% of the vote to approve the consent calendar. Directors voting no or abstaining are listed under the item number.
- 9- 1. Amend agreement for special consulting services with SCN Strategies.  
The Board amended the agreement with SCN Strategies for continued special consulting services to the Water Authority through June 30, 2013, for a period of 17 additional months, increasing total contract funding to an amount not-to-exceed \$387,500.
  - 9- 2. Change Orders to Shimmick/Obayashi Joint Venture for the San Vicente Dam Raise Package 3 – Roller Compacted Concrete Dams and Appurtenant Facilities project.  
The Board accepted Shimmick/Obayashi Joint Venture Change Orders 17 and 18 for \$324,127; and authorized the General Manager to execute Change Orders for up to \$750,000 to address design modifications, differing site conditions and outside agency requirements, increasing the authorized contract amount from \$142,709,806.70 to \$143,783,933.70.

- 9- 3. Vote entitlement resolution for calendar year 2012.  
The Board adopted **Resolution No. 2011-22** establishing the vote and representative entitlements of each member agency effective January 1, 2012.
- 9- 4. Ordinance requiring member agencies to pass the entire Special Agricultural Water Rate Program discount to the Program users.  
The Board adopted **Ordinance No. 2011-05** an Ordinance of the Board of Directors of the San Diego County Water Authority amending the Transitional Special Agricultural Water Rate Program.
- 9- 5. Annual Statement of Investment Policy, as amended, and continue to delegate authority to the Treasurer to invest Water Authority funds for calendar year 2012.  
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 2012.
- 9- 6. Professional services contract to Helix Environmental Planning, Inc. to provide environmental construction monitoring and support services for a 24-month period for a not-to-exceed amount of \$315,000.  
The Board authorized the General Manager to execute a professional services contract with Helix Environmental Planning, Inc. to provide environmental construction monitoring and support services for a 24-month period for a not-to-exceed amount of \$315,000.
- 9- 7. Adopt proposed 2012 Legislative Policy Guidelines.  
The Board adopted the proposed 2012 Legislative Policy Guidelines.
- 9- 8. Sponsorship of two bills in the state Legislature to address water quality standards.  
The Board Sponsored legislation that: Moves augmentation of raw water supplies with advanced treated purified water and direct potable reuse to the Health and Safety Code, instead of defining it as a waste in the Water Code. Requires the State Water Resources Control Board to develop a policy that matches standards for fluoride in wastewater and recycled water with standards for drinking water in which the state has mandated the addition of fluoride.
- 9- 9. Treasurer's report.  
The Board noted and filed the monthly Treasurer's report.

10. ACTION/DISCUSSION

10-A Appointment of Director Doug Wilson to the Metropolitan Water District of Southern California Board of Directors.

The Board adopted **Resolution No. 2011-25** approving the appointment of Doug Wilson as a representative of the San Diego County Water Authority on the Board of Directors of the Metropolitan Water District of Southern California.

Director Pocklington moved, Director Ferguson seconded, and the motion passed at 92.14% of the vote to appoint Doug Wilson to the Metropolitan Water District of Southern California Board of Directors.

10-B Audit Committee Annual Report.

The Board accepted and filed the Audit Committee Annual Report pursuant to the Administrative Code, Section 2.00.066. The Board accepted and filed the Comprehensive Annual Financial Report for fiscal year ended June 30, 2011.

Director Wight moved, Director Wilson seconded, and the motion passed at 92.14% of the vote.

11. CLOSED SESSION(S)

11-A CLOSED SESSION:

Conference with Legal Counsel – Existing Litigation

Government Code §54956.9(a)

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

11-B CLOSED SESSION:

Conference with Legal Counsel - Existing Litigation and Potential Litigation

Government Code §54956.9(a) - SDCWA v Metropolitan Water District of Southern California; Case No. CPF-10-510830

Government Code §54956.9(c) - One Case

11-C CLOSED SESSION:

Conference with Legal Counsel – Existing Litigation

Government Code §54956.9(a) – Traylor-Shea Joint Venture v SDCWA;

Case No. 37-2009-00090545-CU-BC-CTL

Traylor-Shea Joint Venture v SDCWA;

Case No. 37-2011-00092666-CU-BC-CTL

12. **Action following Closed Session.**

Mr. Hentschke announced the Board authorized the General Counsel and Special Counsel to execute a settlement agreement for Case No. 37-2009-00090545-CU-BC-CTL according to instructions given in Closed Session. Director Arant moved, Director Miller seconded and the motion carried at 92.14% of the vote.

13. **SPECIAL REPORTS**

13-A GENERAL MANAGER'S REPORT – Ms. Stapleton reminded the Board about the updated calendar.

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

13-C SANDAG REPORT – Director Saunders stated there was nothing to report.  
SANDAG BORDERS/REGIONAL PLANNING COMMITTEE – Director Saxod announced there was nothing to report.

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

14. **OTHER COMMUNICATIONS** - Director Jungreis expressed appreciation for the Board's support of the Semper Fi fund.

15. **ADJOURNMENT**

There being no further business to come before the Board, Chair Hogan adjourned the meeting at 4:25 p.m.

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Michael T. Hogan, Chair

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Richard K. Smith, Secretary

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Doria F. Lore, Clerk of the Board