

**MINUTES OF THE FORMAL BOARD OF DIRECTORS' MEETING
MAY 25, 2017**

ENGINEERING AND OPERATIONS COMMITTEE

CALL TO ORDER / ROLL CALL

Vice Chair Hilliker called the Engineering and Operations Committee meeting to order at 9:06 a.m. Committee members present were Vice Chair Hilliker, and Directors Boyle, Brady*, Fong-Sakai, Hogan, Olson, Razak*, Smith, and Watkins. Committee members absent were Chair Heinrichs, Vice Chair Miller, and Directors Butkiewicz, Morrison, Preciado, and Simpson. Also present were Directors Arant, Cherashore, Evans, Guerin, Hall, Hedberg, Lewinger, Madaffer, Saxod, Scalzitti, Steiner, Weston, and Wilson. At that time, there was a not a quorum of the Committee so Director Steiner was appointed as temporary committee member per Administrative Code section 2.00.060(f). The meeting was then conducted as a meeting of the Board.

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 Manager Rodgers, Senior Engineering Manager Bousquet, Right of Way Manager Kross, Operations and Maintenance Manager Castaing, and Principal Engineer Kuzmich.

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

Vice Chair Hilliker reported that the Water Authority received a \$1 million incentive from the California Public Utilities Commission for its planned one megawatt, two-hour battery system at Twin Oaks Valley Water Treatment Plant. He also announced the Water Authority was hosting a Member Agency Pipe Assessment and Rehabilitation Workshop on May 30, 2017 from 9:00 a.m. to noon in the Board Room.

I. CONSENT CALENDAR

There were no Consent Calendar items.

II. ACTION/DISCUSSION/PRESENTATION

1. Notice of Completion for the Pipeline 4 Relining at Lake Murray project.

Staff recommendation: Authorize the General Manager accept the Pipeline 4 Relining at Lake Murray project as complete, record the Notice of Completion, and release funds held in retention L.H. Woods and Sons, Inc. following the expiration of the retention period.

Ms. Kuzmich gave a presentation on the project including project location and description, portal construction and restoration, the decommissioning of the Alvarado Hydroelectric facility, contract summary, and staff recommendation.

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

2. Energy Task Force Update.

Director Hogan presented an update on the Energy Task Force, including the previously approved Request for Proposal and the upcoming June 15 Task Force meeting. He also stated that an update would be provided to the Board at the June 22, 2017, E&O Committee Meeting including a recommendation for a new cost sharing agreement with the City of San Diego for the Phase 3 work effort.

Director Olson asked the Board to consider moving the San Vicente Energy Storage issue from Engineering and Operations to the Administrative and Finance Committee. Vice Chair Hilliker stated the request was noted and would be brought before the Board Officers for a decision.

* Director Brady arrived at 9:14 a.m., during the presentation and after the vote on the Notice of Completion for the Pipeline 4 Relining at Lake Murray project. At that time there was a quorum of the committee.

3. Treated Water Optimization.

Mr. Castaing presented information on optimization of the treated water system, including various historical flow scenarios, flow changes, concerns, and the addition of five online water quality analyzers strategically installed along the aqueduct.

Director Arant requested that Mr. Castaing present this at a future Valley Center Board meeting.

* Director Razak arrived at 9:19 a.m., during the presentation and after the vote on the Notice of Completion for the Pipeline 4 Relining at Lake Murray project.

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, Vice Chair Hilliker adjourned the meeting at 9:26 a.m.

WATER PLANNING COMMITTEE

CALL TO ORDER/ROLL CALL

Chair Cherashore called the Water Planning Committee meeting to order at 9:41 a.m. Committee members present were Chair Cherashore, Vice Chairs Boyle and Evans, and Directors Brady, Hedberg, Lewinger, Muir, Razak, Smith, Tu* and Weston. Absent were Directors Ayala, Barnum, Kennedy and Preciado. Also present were Directors Arant, Butkiewicz*, Croucher*, Fong-Sakai, Gallo*, Guerin, Hall, Hilliker, Hogan, Madaffer, Murtland*, Olson, Saxod, Scalzitti, Steiner, Watkins 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 Water Resources Yamada, Director of Public Outreach and Conservation Foster, and Senior Engineer Crutchfield.

ADDITIONS TO THE AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

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

* Director Butkiewicz arrived at 9:48 a.m., and Director Gallo arrived at 9:56 a.m.

CHAIR'S REPORT

Chair Cherashore welcomed everyone in attendance and reported on the Water Authority's involvement in local sustainability and conservation events. He announced that in early June member agencies would receive a copy of the draft Water Shortage Contingency Plan, which was planned for review and adoption in July.

DIRECTORS' COMMENTS

There were no Directors' comments.

I. CONSENT CALENDAR

There were no Consent Calendar items.

* Directors Murtland and Tu arrived at 10:14 a.m.

II. ACTION/DISCUSSION/PRESENTATIONS

1. Extension of Water Conservation Garden Operation Agreement.

Staff recommendation: Approve a one-year extension of the current Operation Agreement between the Water Conservation Garden Authority and the Friends of the Water Conservation Garden (IRS 501(c)(3)) for the continued operation and maintenance of the Water Conservation Garden through June 30, 2018.

Director Evans and Mr. Foster presented a report on the background of the Water Conservation Garden and current efforts and goals of the Garden's Joint Powers Authority Governance Committee, including having refined JPA agreement terms developed by November 2017. Staff responded to questions and concerns posed by directors.

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

2. Annual Storage Assessment.

Mr. Crutchfield presented the annual storage assessment report, including information on the management of emergency and carryover storage, as well as current storage status of each. Staff responded to questions and comments posed by directors.

III. INFORMATION

The following information item was received and filed:

1. Water Resources report.

*Director Croucher arrived at 10:38 a.m.

IV. CLOSED SESSION

There were no Closed Session items.

V. ADJOURNMENT

There being no further business to come before the Water Planning Committee, Chair Cherashore adjourned the meeting at 10:42 a.m.

IMPORTED WATER COMMITTEE

CALL TO ORDER / ROLL CALL

Chair Weston called the Imported Water Committee meeting to order at 10:45 a.m. Committee members present were Chair Weston, Vice Chair Fong-Sakai, and Directors Hogan, Lewinger, Madaffer, Miller, Murtland, Olson, Saxod, Scalzitti, Steiner, Wilson and Supervisor Gaspar. Committee members absent were Vice Chair Kennedy and Director Barnum. Also present were Directors Arant, Boyle, Brady, Butkiewicz, Cherashore, Croucher, Evans, Gallo, Guerin, Hall, Hedberg, Muir, Razak, Smith, Tu, and Watkins. 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, MWD Program Director Chen, Colorado River Program Director Denham, Senior Water Resources Specialist Mathews, and Engineer P.E. Poursadighi. Also present were Chris Wahl of Southwest Strategies, and Ethan Axelrod of David Binder Research.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

Meena Westford, Special Projects Manager of Metropolitan Water District, commented on a letter sent to Metropolitan Water District from the Water Authority regarding water planning efforts.

CHAIR'S REPORT

Chair Weston announced the Water Authority filed a request for a focused evidentiary hearing with the State Water Resources Control Board to resolve IID's 2014 petition to condition the QSA water transfers on restoration of the Salton Sea.

Chair Weston also announced the Governor's Appointments Office named Doug Wilson as the Colorado River Board Representative, and Mark Watton as the Alternate.

Chair Weston provided a brief update on the Oroville Dam spillway and showed a video of the damaged spillway to give the Board an idea of the magnitude of the problem and erosion.

DIRECTORS' COMMENTS

There were no Directors' comments.

I. CONSENT CALENDAR

There were no Consent Calendar items.

II. ACTION/DISCUSSION/PRESENTATION

1. MWD issues and activities update.
 - 1-A Metropolitan Water District Delegates' Report.

The Delegates briefed the Board on the most recent Metropolitan's Board Committee meetings.

- 1-B Metropolitan Water District's Treatment Fixed Charge Discussion.

Ms. Chen presented an update to the Board on Metropolitan Water District's proposed Fixed Treatment Charge including process and action taken at MWD's April Board meeting.

1-C Poll Results on Knowledge and Attitudes Toward the Metropolitan Water District of Southern California's Fiscal Decisions and Water Rates.

Chris Wahl of Southwest Strategies introduced Ethan Axelrod of David Binder Research to highlight key findings from a recent poll conducted by David Binder Research. The poll was conducted on behalf of the Water Authority to measure knowledge and attitudes of Southern California residents toward fiscal decisions by the Metropolitan Water District of Southern California.

Board members asked several questions and made comments.

2. Colorado River Programs.

2-A Colorado River Board Representative's Report.

Director Wilson reviewed the most recent Colorado River Board meeting.

2-B Colorado River hydrology update.

Ms. Mathews presented to the Board a Colorado River Hydrology update including current conditions, updated shortage/surplus projections, drought contingency plan and a binational update.

3. Canal Lining Post Construction Mitigation Update.

Due to time constraints, Chair Weston announced the item would carry over to the June 22, 2017 meeting.

III. INFORMATION

The following information item was received and filed:

1. Metropolitan Water District Program Report.

IV. CLOSED SESSION

Mr. Hattam took the Committee into Closed Session at 11:43 a.m.

1. 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; CPF-14-514004; CPF-16-515282; CPF-16-515391; A146901; and A148266

Mr. Hattam brought the Committee out of Closed Session at 12:43 p.m. and stated there was no reportable action.

V. ADJOURNMENT

There being no further business to come before the Imported Water Committee, Chair Weston adjourned the meeting at 12.45 p.m.

ADMINISTRATIVE AND FINANCE COMMITTEE

CALL TO ORDER / ROLL CALL

Chair Saxod called the Administrative and Finance Committee meeting to order at 1:30 p.m. Committee members present were Chair Saxod, Vice Chairs Arant* and Wilson, and Directors Ayala, Cherashore*, Gallo, Guerin, Hall, Hedberg, Murtland, and Watkins*. Committee members absent were Directors Croucher, Heinrichs, and Simpson. Also present were Directors Barnum, Butkiewicz, Evans, Fong-Sakai, Hilliker, Hogan, Lewinger, Madaffer, Morrison, Muir, Olson, Preciado, Scalzitti, Steiner, Weston, and Tu. At that time there was a quorum of the Board and the meeting was then 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 Finance/Treasurer Harris, Director of Administrative Services Brown, Director of Water Resources Yamada, and Jennifer Ivey, Vice President of Carollo Engineers.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

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

* Vice Chair Arant, and Directors Cherashore and Watkins joined the meeting at 1:31 p.m.

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.

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

II. ACTION/DISCUSSION/PRESENTATION

1. Presentation of the General Manager's Recommended Budget for Fiscal Years 2018 and 2019 for review by the Administrative and Finance Committee and the Board of Directors.

Ms. Stapleton provided a presentation on the Fiscal Years 2016 and 2017 accomplishments; components of and impacts on the Fiscal Years 2018 and 2019 Budget; Fiscal Years 2018 and 2019 Budget themes, key initiatives and projects; and schedule.

Ms. Stapleton asked board members to reserve time on their calendars for the budget workshops that would take place on June 6 and 8, 2017.

The General Manager's Recommended Budget for Fiscal Years 2018 and 2019 was distributed to board members. Ms. Stapleton went through the document, describing each section and its purpose.

Chair Saxod and Director Muir thanked staff for their work on the budget.

Director Hogan commended staff on the many accomplishments achieved under the last two year budget.

Director Muir commended staff and the board on the adaptive approach to the budget and their ability to achieve innovation efforts that were tied to the agency's planning documents.

Vice Chair Wilson requested a breakdown of the portion of rates and charges that were directly tied to increasing water reliability for the region.

Vice Chair Wilson also requested information on staffing levels going back six years. Ms. Stapleton replied that staffing levels would be provided during upcoming budget workshops.

- 1-A. Transfer Balance from Stored Water Fund for CalPERS Unfunded Liability.
Staff recommendation: Authorize the General Manager to transfer balance of \$9.5 million from the Stored Water Fund for an unfunded accrued liability payment to the California Public Employees Retirement System (CalPERS).

Chair Saxod introduced the item and congratulated the Finance Department on receiving the Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report for fiscal year ended June 30, 2016.

Ms. Harris provided a brief presentation on the item that included background information on Water Authority's CalPERS contributions.

Vice Chair Wilson moved, Vice Chair Arant seconded, and the motion to approve staffs' recommendation passed unanimously.

2. Resolution setting a Public Hearing date for the Water Authority's proposed calendar year 2018 Rate and Charge increases.

Staff recommendation: Adopt Resolution No. 2017-09 setting the time and place for a public hearing on June 22, 2017, at or after 9:00 a.m., or as soon thereafter as may practicably be heard, during the Administrative and Finance Committee meeting, to receive comments regarding proposed rates and charges to be effective January 1, 2018.

Ms. Ivey gave a presentation on the calendar year 2018 cost of service review that included study objectives, key governing board policies, and a cost of service overview.

Ms. Harris provided a presentation on proposed assessment of calendar year 2018 rates and charges, including drivers, restructure of the annexation fee, and next steps.

Directors asked questions and staff provided answers.

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

3. Agreement for Carlsbad Desalination Project Sales Tax Recovery.

Staff recommendation: Authorize the General Manager to execute a professional service agreement with DuCharme, McMillen and Associates to pursue the recovery of sales tax paid as part of the construction of the Carlsbad Desalination Project.

Mr. Yamada provided a presentation on the item which included background information, including related legislation, and a letter of opinion from the State Board of Equalization.

Directors asked questions and staff and directors provided comments and answers.

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

4. Approve the Refinancing of the Claude "Bud" Lewis Carlsbad Desalination Project Conveyance Pipeline and the Update of the Water Authority's Debt Management Policy.

Staff recommendations:

- 1) Adopt Resolution No. 2017-10 approving the refunding of California Pollution Control Financing Authority \$203,215,000 Water Furnishing Revenue Bonds, Series 2012 (San Diego County Water Authority Desalination Project Pipeline) via negotiated sale; a Preliminary Limited Offering Memorandum, a Bond Purchase Agreement and other documents

and agreements necessary to accomplish tax exempt project refinancing through the California Pollution Control Financing Authority (CPCFA).

- 2) Approve the updated Statement of Debt Management Policy to reflect recent regulatory changes.

Ms. Harris provided a presentation including market highlights, Carlsbad Desalination Project credit highlights, projected refunding savings, next steps, and debt policy actions.

Directors asked questions and staff provided answers.

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

III. INFORMATION

The following items were noted and filed:

1. Controller's Report on Monthly Financial Reports.
2. Board Calendar.

V. CLOSED SESSION

General Counsel Hattam took the committee into Closed Session at 3:06 p.m.

1. Conference with Legal Counsel – Anticipated Litigation
Government Code §54956.9(d)(4)
Deciding to Initiate Litigation – One Case

General Counsel Hattam brought the committee out of Closed Session at 3:24 p.m. and stated there was no reportable action.

VI. ADJOURNMENT

There being no further business to come before the Administrative and Finance Committee, Chair Saxod adjourned the meeting at 3:25 p.m.

LEGISLATION AND PUBLIC OUTREACH COMMITTEE

CALL TO ORDER/ROLL CALL

Chair Guerin called the Legislation and Public Outreach Committee to order at 3:30 p.m. Committee members present were Chair Guerin, Vice Chairs Hall and Tu, and Directors Arant, Butkiewicz*, Croucher, Gallo, Hilliker, Madaffer, Morrison, Muir, Scalzitti and Steiner. Committee members absent were Director Evans and Supervisor Gaspar. Also present were Directors Ayala, Cherashore, Fong-Sakai, Hedberg, Hogan, Lewinger, Murtland, Olson, Preciado, Saxod, Watkins and Weston. 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, Director of Public Outreach and Conservation Foster, Government Relations Manager Farrel, Public Affairs Supervisor Penunuri, and Water Resources Specialist German. Also present was Mike Rivera, North County District Manager for The Home Depot.

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 Guerin announced that she and Director Croucher would travel to Washington, D.C. on June 11, 2017, to begin the process of introducing the Water Authority to the new members of the Trump Administration.

She announced that the Water Authority would continue the Live WaterSmart campaign by sponsoring the WaterSmart Landscape Award at the the San Diego County Fair's Garden Show, and that Director Tu would present the award to the winner at the Garden Show awards ceremony on May 31, 2017.

She reported that the Water Authority's Live WaterSmart Photo Contest, in which people submitted photos that demonstrate how water is an essential part of their life, would run until the end of May, and she added that the Water Authority had received a great response. She also stated that the contest winner would be announced in early June.

I. CONSENT CALENDAR

I. Adopt positions on various state bills:
Staff recommendation:

- 1-A Adopt a position of Support if Amended on AB 1030 (Ting), relating to energy storage systems.
- 1-B Adopt a position of Support on AB 1343 (Chen), relating to water use efficiency programs at schools.
- 1-C Adopt a position of Oppose Unless Amended on SB 80 (Wieckowski), relating to CEQA notices for multi-county water projects.

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

* Director Butkiewicz arrived at 3:40 p.m.

II. ACTION/DISCUSSION/PRESENTATION

1. Legislative Issues.

1-A Washington Report by Ken Carpi. (Written report only)

1-B Sacramento Report.

1. Long-Term Water Use Efficiency.

Mr. Farrel provided a Sacramento update, in which he reported on actions made by the Appropriations Committee and reported that bill AB 869 (Rubio) Recycled Water Exclusion, had passed the Assembly floor. He provided highlights of the Assembly Water Conservation Working Group reporting that they had held two meetings and were working on developing broad policy principles.

2. Recommendation of program goal for Small Contractor Outreach and Opportunities Program.

Staff recommendation: Continue the SCOOP program goal of 20 percent for fiscal year 2018.

The item was continued to the June 22, 2017 Board meeting.

3. Community Outreach for Capital Improvement Projects.

The item was continued to the June 22, 2017 Board meeting.

4. Update on San Diego County Garden Friendly Plant Fairs.

Ms. German and Mr. Rivera presented a review of the Water Authority and The Home Depot's San Diego County Garden Friendly Plant Fairs. They reported that since 2012, 85 plant fairs had been held, which attracted 12,000 participants. They provided an overview of the partnership and roles and responsibilities of each partner.

III. INFORMATION

The following information item was received and filed:

1. Government Relations Update.

IV. ADJOURNMENT

There being no further business to come before the Legislation and Public Outreach Committee, Chair Guerin adjourned the meeting at 3:53 p.m.

FORMAL BOARD OF DIRECTORS' MEETING OF MAY 25, 2017

1. CALL TO ORDER Chair Muir called the Formal Board of Directors' meeting to order at 3:56 p.m.

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

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

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

3-A **Report on proxies received.** Director Weston was the proxy for Director Barnum, Director Guerin was the proxy for Director Evans, Secretary Croucher was the proxy for Director Smith, and Director Arant was the proxy for Directors Miller and Kennedy.

4. **ADDITIONS TO AGENDA**

There were no additions to the agenda.

5. **APPROVAL OF MINUTES**

Director Lewinger moved, Director Weston seconded, and the motion carried at 91.68% of the vote to approve the minutes of the Special Water Planning Committee meeting of April 13, 2017 and the Formal Board of Directors' meeting of April 27, 2017. Director Steiner 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 who wished to speak.

7. **PRESENTATIONS & PUBLIC HEARINGS**

7-A Recognition of Eric Holden, Employee of the 3rd Quarter.

Chair Muir recognized and congratulated employee of the 3rd quarter Eric Holden.

8. **REPORTS BY CHAIRS**

8-A Chairs report: Chair Muir reported on his attendance with Vice Chair Madaffer at various local and regional meetings regarding water issues, as part of enhanced outreach efforts. He also reported attending the Association of California Water Agencies (ACWA) 2017 Spring Conference in Monterey with the Board Officers, where he accepted the ACWA Clair Hill Water Agency Award for Excellence on behalf of the Water Authority, for the development of the Carlsbad Desalination Project, and thanked Vice Chair Madaffer and Secretary Croucher for helping accept the award. He stated that the award recognized exemplary programs developed by ACWA member agencies for managing and protecting water supplies in California, and added that the Water Authority

would have the honor of selecting the next annual recipient of the \$5000 Clair Hill scholarship, awarded to college students in a water-resources related field of study and funded by the engineering firm CH2M. He concluded his report by thanking staff for exceptional service in completing the project which took many years and has developed a critical water asset.

*Director Watkins left the meeting at 4:06 p.m., before the vote on the Consent Calendar.

- 8-B Report by Committee Chairs:
Engineering and Operations Committee. Director Hilliker reviewed the meeting and the action taken.
Water Planning Committee. Director Cherashore reviewed the meeting and the action taken.
Imported Water Committee. Director Weston reviewed the meeting and stated that no action was taken.
Administrative and Finance Committee. Director Saxod reviewed the meeting and the action taken.
Legislation and Public Outreach Committee. Director Guerin reviewed the meeting and the action taken.

9. **CONSENT CALENDAR**

Vice Chair Madaffer moved, Director Tu seconded, and the motion carried at 91.29% of the vote to approve Consent Calendar. Directors voting no or abstaining are listed under the item number.

- 9- 1. Notice of Completion for the Pipeline 4 Relining at Lake Murray project.
The Board authorized the General Manager to accept the Pipeline 4 Relining at Lake Murray project as complete, record the Notice of Completion, and release funds held in retention to L.H. Woods and Sons, Inc. following the expiration of the retention period.
- 9- 2. Extension of Water Conservation Garden Operation Agreement.
The Board approved a one-year extension of the current Operation Agreement between the Water Conservation Garden Authority and the Friends of the Water Conservation Garden (IRS 501(c)(3)) for the continued operation and maintenance of the Water Conservation Garden through June 30, 2018.
- Director Hilliker voted no on item 9- 2.
- 9- 3. Monthly Treasurer's Report on Investments and Cash Flow.
The Board noted and filed monthly Treasurer's Report.

- 9- 4. Transfer Balance from Stored Water Fund for CalPERS Unfunded Liability.
The Board authorized the General Manager to transfer balance of \$9.5 million from the Stored Water Fund for an unfunded accrued liability payment to the California Public Employees Retirements System (CalPERS).
- 9- 5. Resolution setting a Public Hearing date for the Water Authority's proposed calendar year 2018 Rate and Charge increases.
The Board adopted Resolution No. 2017-09 setting the time and place for a public hearing on June 22, 2017, at or after 9:00 a.m., or as soon thereafter as may practicably be heard, during the Administrative and Finance Committee meeting, to receive comments regarding proposed rates and charges to be effective January 1, 2018.
- 9- 6. Agreement for Carlsbad Desalination Project Sales Tax Recovery.
The Board authorized the General Manager to execute a professional services agreement with DuCharme, McMillen and Associates to pursue the recovery of sales tax paid as part of the construction of the Carlsbad Desalination Project.

Director Hogan abstained on item 9- 6.

- 9- 7. Approve the Refinancing of the Claude "Bud" Lewis Carlsbad Desalination Project Conveyance Pipeline and the Update of the Water Authority's Debt Management Policy.
The Board adopted Resolution No. 2017-10 approving the refunding of California Pollution Control Financing Authority \$203,215,000 Water Furnishing Revenue Bonds, Series 2012 (San Diego County Water Authority Desalination Project Pipeline) via negotiated sale; a Preliminary Limited Offering Memorandum, a Bond Purchase Agreement and other documents and agreements necessary to accomplish tax exempt project refinancing through the California Pollution Control Financing Authority (CPCFA); and approved the updated Statement of Debt Management Policy to reflect recent regulatory changes.
- 9- 8. Adopt positions on various state bills.
- A) The Board adopted a position of Support if Amended on AB 1030 (Ting), relating to energy storage systems.
 - B) The Board adopted a position of Support on AB 1343 (Chen), relating to water use efficiency programs at schools.
 - C) The Board adopted a position of Oppose Unless Amended on SB 80 (Wieckowski), relating to CEQA notices for multi-county water projects.

Director Olson voted no on item 9- 8A.

10. **ACTION/DISCUSSION**

11. **SPECIAL REPORTS**

11-A GENERAL MANAGER'S REPORT – Ms. Stapleton reminded the Board of the upcoming Special Administrative and Finance Committee Budget Workshops on June 6, and June 8 at 1:30 p.m. She also stated that a number of requests for Water Authority e-mail addresses had been made by the Board

and requested that anyone interested in having a Water Authority email address contact her.

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

11-C SANDAG REPORT – Chair Muir stated that last months meeting was cancelled.

SANDAG Subcommittees:

Borders Committee – Director Croucher stated that last months meeting had been cancelled and the next meeting was scheduled for May 26, 2017.

Regional Planning Committee – Director Olson reported on issues discussed at the May 6, 2017 meeting.

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

12. **CLOSED SESSION(S)**

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

12-A 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; CPF-14-514004;
CPF-16-515282; CPF-16-515391; A146901; and A148266

12-B Conference with Legal Counsel – Anticipated Litigation
Government Code §54956.9(d)(4)
Deciding to Initiate Litigation – One Case

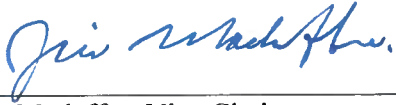
13. **ACTION FOLLOWING CLOSED SESSION**

14. **OTHER COMMUNICATIONS**

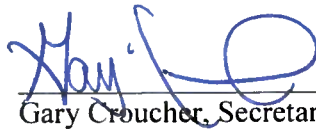
Director Gallo thanked Chair Muir and Vice Chair Madaffer for the communications sent between the Water Authority, Metropolitan Water District, and Orange County.

15. **ADJOURNMENT**

There being no further business to come before the Board, Chair Muir adjourned the meeting at 4:13 p.m.



Jim Madaffer, Vice Chair



Gary Croucher, Secretary



Melinda Cogle, Clerk of the Board