MINUTES OF THE FORMAL BOARD OF DIRECTORS’ MEETING
JUNE 22, 2017

ADMINISTRATIVE AND FINANCE COMMITTEE
CALL TO ORDER / ROLL CALL

Chair Saxod called the Administrative and Finance Committee meeting to order at 9:00 a.m. Committee members present were Chair Saxod, Vice Chairs Arant and Wilson, and Directors Chereashore*, Croucher, Gallo, Guerin, Hall, Hedberg, Heinrichs, Murtland, Simpson*, and Watkins. The committee member absent was Director Ayala. Also present were Directors Boyle, Butkiewicz, Evans, Fong-Sakai, Hogan, Olson, Razak, Scalzitti, Smith, Steiner, and Weston. 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, Budget and Analysis Manager Whyte, Financial Planning Manager Shank, Controller Woidzik, Administrative Services Manager Troche, and Information Systems Supervisor Keane-Alt.

ADDITIONS TO AGENDA
There were no additions to the agenda.

PUBLIC COMMENT
Chair Saxod announced there was a member of the public who would speak during the Public Hearing on rates and charges.

CHAIR’S REPORT
There was no Chair’s report.

DIRECTORS’ COMMENTS
There were no Directors’ comments.

I. CONSENT CALENDAR
   Staff recommendation: Note and file the monthly Treasurer’s report.

2. Purchase of Water Authority Business Insurance.
   Staff recommendations:
   a) Authorize the General Manager to purchase property insurance from
   Travelers Property Casualty Company of America in the amount of
   $140,775, liability insurance from Allied World Assurance Company –
   CalMutuals JPRIMA in the amount of $330,167, and workers’ compensation
   from Zenith Insurance Company – CalMutuals JPRIMA in the amount of
Formal Board
Agenda Item Number 5
July 27, 2017
(June 22, 2017 minutes)

$276,402 for a total amount of $747,344.


3. Amendment to Agreement for Special Services with Liebert Cassidy Whitmore to increase the contract limit by $120,000 to a total of $390,000.

Staff recommendation: Authorize the General Counsel to execute an amendment to the agreement for special labor-related legal services with Liebert Cassidy Whitmore to increase the contract limit by $120,000 from $270,000 to $390,000.

Director Murtland moved, Vice Chair Arant seconded, and the motion to approve the consent calendar passed unanimously.

II. ACTION/DISCUSSION/PRESENTATION

Staff recommendation: That the Board formally adopt the General Manager’s recommended budget for Fiscal Years 2018 and 2019. Approve adoption of Resolution No. 2017-12, approving the General Manager’s recommended budget for Fiscal Years 2018 and 2019, for operations and capital improvements and appropriating $1,584,127,560 consistent with the approved budget.

Ms. Stapleton provided a presentation that included a review of the fiscal years 2018 and 2019 budget development process and recommended budget, sources of funds to be utilized, and operations of the Lake Hodges Pumped Storage Facilities developments as related to the budget.

Directors asked questions and Ms. Stapleton provided answers.

Director Murtland commended staff for their professionalism in preparing the budget and to the Administrative and Finance Committee for the scrutiny applied to the budget review.

Chair Saxod thanked Ms. Kerl, Ms. Harris, and Ms. Whyte for their hard work during the budget process.

*Director Chershore arrived at 9:10 a.m.

Vice Chair Arant moved, Vice Chair Wilson seconded, and the motion to approve staffs’ recommendation passed unanimously.
2. **Adopt the Water Authority’s rates and charges for calendar year 2018.**
   **Staff recommendations:**
   a) Conduct the Public Hearing;
   b) Adopt Ordinance No. 2017-01 an ordinance of the Board of Directors of the San Diego County Water Authority setting rates and charges for the delivery and supply of water, use of facilities and provision of services;
   c) Adopt Resolution No. 2017-13 a resolution of the Board of Directors of the San Diego County Water Authority continuing the Standby Availability Charge;
   d) Adopt Ordinance No. 2017-02 an ordinance of the Board of Directors of the San Diego County Water Authority amending and restating the System Capacity and Water Treatment Capacity Charges imposed by the Water Authority pursuant to Section 5.9 of the County Water Authority Act; and
   e) Find the actions except from CEQA pursuant to Public Resources Code §21080(b)(8) and authorize the General Manager to file a notice of exemption.

Chair Saxod opened the Public Hearing at 9:19 a.m. and invited anyone who wished to speak to inform staff by completing a speaker request form.

Ms. Harris provided a presentation that included an overview of the Carollo cost of service study, historic and projected water sales, MWD’s 2017 rates and charges and the impact to the Water Authority’s proposed rates and charges, utilization of the rate stabilization fund, and a breakdown of proposed calendar year 2018 rates and charges.

Directors asked questions and Ms. Kerl and Ms. Harris provided answers.

*Director Simpson arrived at 9:30 a.m.*

Suzanne Till, a Santee resident, provided a presentation in response to the proposed rates and charges.

As there were no other members of the public who wished to speak, Chair Saxod closed the Public Hearing at 9:36 a.m.

Director Murtland moved, Director Croucher seconded, and the motion to approve staffs’ recommendation passed unanimously.

At that time, Chair Saxod announced that the agenda would be taken out of order and Mr. Hattam took the committee into Closed Session at 9:37 a.m.
IV. CLOSED SESSION
1. Conference with Legal Counsel – Pending Litigation
   Government Code §54956.9(d)(1)
   Name of Case: San Diegans for Open Government v. SDCWA; San Diego
   Superior Court Case No. 37-2017-00021082-CU-MC-CTL

   Mr. Hattam brought the committee out of Closed Session at 10:05 a.m. and announced
   that the committee had unanimously recommended to the Board that General Counsel be
   allowed to engage counsel to defend and seek all available remedies for the noticed action.

II. ACTION/DISCUSSION/PRESENTATION
3. Agreement with Oracle USA, Inc. to renew the Enterprise Resource Planning
   System software annual maintenance and support agreements.
   Staff recommendation: Authorize the General Manager to renew the Enterprise
   Resource Planning System software annual maintenance and support agreements
   with Oracle USA Inc., for four fiscal years at a total cost of $899,085. The cost
   per fiscal year is $214,906 for 2018; $221,353 for 2019; $227,993 for 2020; and
   $234,833 for 2021.

   Director Croucher moved, Vice Chair Arant seconded, and the motion to approve staffs’
   recommendation passed unanimously.

   Staff recommendation: Adopt Ordinance No. 2017-03, an ordinance of the
   Board of Directors of the San Diego County Water Authority amending chapter
   9.00 of the Administrative Code.

   Mr. Hattam provided a brief presentation on the item and reviewed the redline change to
   code language, as well as the reason for the change.

   Director Gallo moved, Director Cherashore seconded, and the motion to approve staffs’
   recommendation passed unanimously.

III. INFORMATION
   The following information items were received and filed:
   2. Board Calendar.

V. ADJOURNMENT
   There being no further business to come before the Administrative and Finance
   Committee, Chair Saxod adjourned the meeting at 10:08 a.m.
ENGINEERING AND OPERATIONS COMMITTEE
CALL TO ORDER / ROLL CALL

Chair Heinrichs called the Engineering and Operations Committee meeting to order at 10:14 a.m. Committee members present were Chair Heinrichs, Vice Chairs Hilliker and Miller, and Directors Boyle*, Butkiewicz*, Fong-Sakai, Hogan, Morrison, Olson, Razak, Simpson, Smith, and Watkins. Committee members absent were Directors Brady and Preciado. Also present were Directors Arant, Barnum, Chershore, Croucher, Evans, Gallo, Guerin, Hall, Hedberg, Murtland, Saxod, Scalzitti, Steiner, Tu, 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, Innovation Program Manager Eaton, Energy Program Manager Rodgers, Senior Engineering Manager Bousquet, and Construction Manager Olvera.

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 Heinrichs reported that the local chapter of the American Society of Civil Engineers would present a plaque to the Water Authority in recognition of winning the Outstanding Civil Engineering Achievement Award at the international level. He stated the celebration would take place July 11, 2017 at the Olivenhain Dam, and all Board members interested in attending should RSVP to Teresa Penunuri by June 29, 2017.

Chair Heinrichs and Ms. Stapleton recognized and thanked Chief Innovation Officer Eaton for his 29 years of service to the Water Authority as Mr. Eaton would be retiring on July 3, 2017.

* Director Boyle arrived at 10:15 a.m., Director Butkiewicz arrived at 10:18 a.m., and Vice Chair Hilliker arrived at 10:21 a.m., all prior to any vote.

1. CONSENT CALENDAR
There were no Consent Calendar items.
II. ACTION/DISCUSSION/PRESENTATION

1. Notice of Completion for the Nob Hill Improvements project.
   **Staff recommendation:** Authorize the General Manager accept the Nob Hill Improvements 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.

   Mr. Olvera gave a presentation on the Nob Hill Improvements project including project location and description, access road construction and completion, tunnel and pipe, tunnel tie-in, site restoration, and contract summary.

   Vice Chair Hilliker moved, Vice Chair Miller seconded, and the motion to approve staffs’ recommendation passed unanimously.

2. San Vicente Energy Storage Facility Study – Cost Sharing Agreement with the City of San Diego.
   **San Vicente Energy Storage Task Force recommendation:** Authorize the General Manager to enter into an Agreement with the City of San Diego for implementation of Phase 3 Work for the San Vicente Energy Storage Facility Study.

   Director Hogan began the presentation regarding the San Vicente Energy Storage Facility Study with an overview of the phases of work, recap of previous meetings, activities needed to implement the proposed project, and business model considerations and types. Ms. Rodgers continued the presentation with information regarding outside agency coordination for Phase 3, two parallel solicitation processes, and the cost sharing agreement with the City of San Diego.

   Director Hogan moved, Director Watkins seconded, and the motion to approve the San Vicente Energy Storage Facility Task Force’s recommendation passed unanimously. Director Razak recused herself from the vote on this item.

3. Annual Aqueduct Operating Plan.

   Mr. Fisher presented information on the Annual Aqueduct Operating Plan including an overview of the Plan’s purpose, treated and untreated water projected demands vs. deliveries for fiscal year 2017, treated and untreated water projected demands for fiscal year 2018, untreated water distribution priorities, aqueduct shutdowns and outages, member agency shutdowns, fiscal year 2017 energy production, fiscal year 2018 projected energy production, and reservoirs and regional storage. He reported on asset management activities in fiscal year 2017 including installation of valve actuators, pipeline condition assessment, and replacement of damaged pipe. He also reported on future asset management activities and the schedule for the fiscal year 2019 Aqueduct Operating Plan.
III. INFORMATION
There were no Information items.

IV. CLOSED SESSION
Mr. Hattam took the committee into Closed Session at 10:54 a.m.

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

   Mr. Hattam brought the committee out of Closed Session at 11:08 a.m. and reported that
   the Committee unanimously recommended the Board approve direction to engage counsel and
   initiate an action, and the action, the defendants, and the other particulars shall, once formally
   commenced, be disclosed to any person upon inquiry, unless to do so would jeopardize the
   agency's ability to effectuate service of process on one or more unserved parties, or that to do so
   would jeopardize its ability to conclude existing settlement negotiations to its advantage.

V. ADJOURNMENT
There being no further business to come before the Engineering and Operations
Committee, Chair Heinrichs adjourned the meeting at 11:09 a.m.

IMPORTED WATER COMMITTEE
CALL TO ORDER / ROLL CALL
Chair Weston called the Imported Water Committee meeting to order at 11:15 a.m.
Committee members present were Chair Weston, Vice Chairs Fong-Sakai and Kennedy, and
Directors Barnum, Hogan, Miller, Murtland, Olson, Saxod, Scalzitti, Steiner, and Wilson.
Committee members absent were Directors Lewinger, Madaffer and Supervisor Gaspar. Also
present were Directors Arant, Boyle, Cherashore, Croucher, Evans, Gallo, Guerin, Hall,
Hedberg, Heinrichs, Hilliker, Razak, Simpson, 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, and Senior Engineer P.E. Poursadighi.

ADDITIONS TO AGENDA
There were no additions to the agenda.

PUBLIC COMMENT
Meena Westford, Special Projects Manager of Metropolitan Water District, announced
that MWD scheduled California WaterFix workshops on July 10, July 25, August 14, and
August 28, 2017. She encouraged Board members to attend.
Suzanne Till, member of the public, made comments about the MWD rate case and requested information on the cost of litigation.

CHAIR’S REPORT

Chair Weston announced the Appellate Court issued a decision on the rate litigation case and the committee would hear more later in the meeting.

He announced the Biological Opinions for the California WaterFix would be out soon and expected that following the issuance of the opinions, the Record of Decision/Notice of Determination would be issued. He also mentioned that Delegates had earlier reported on MWD’s upcoming review schedule on WaterFix, including discussion of three white papers: physical infrastructure; operation; and finance/cost allocation. He reported the MWD Board was scheduled to take action in September and staff would analyze the white papers and brief the committee on the latest information.

Lastly, Chair Weston stated that Director Scalzitti attended the MWD Board meetings last month and encouraged other Board members to attend.

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 recent Metropolitan Board Committee meetings.

   1-B Update on Metropolitan Water District’s Integrated Water Resources Plan Policy Discussion.

   Ms. Chen presented an update to the Board on MWD’s Integrated Resources Plan. She briefed the Board on prior updates of the Plan, and explained how the demand for MWD water continued to decline. She also explained how member agencies were developing more local water supplies, MWD’s reliance on IRP for its spending decisions were not prudent, issues raised by the Water Authority Delegates, and what next steps were needed.

   Vice Chair Fong-Sakai requested information regarding what MWD was doing to ensure they were providing the best value of insurance and payback to their agencies.

   Chair Weston responded that information would be provided.
2. **Colorado River Programs.**
   2-A Colorado River Board Representative’s Report.

   Director Wilson announced the 2018 Colorado River Board Budget was approved at $2.15 million dollars.

3. **Canal Lining Post Construction Mitigation Update.**

   Ms. Poursadighi updated the board on canal lining post construction status. She reviewed the canal lining projects history, explained the mitigation projects at various sites, the dune restoration, and the Dos Palmas Water Supply System.

   Board members asked questions and made comments.

4. **Amend Existing Agreement to Allow for Temporary Use of a Portion of Water Authority’s Storage Capacity in Semitropic Water Bank.**
   **Staff recommendations:**

   1) Authorize the General Manager to amend the Water Authority’s existing recharge agreement with Homer LLC, a Delaware limited liability company (Homer) in Semitropic Water Storage District’s Stored Water Recovery Unit and Original Water Bank to also allow Homer the use a portion of the Water Authority’s storage capacity in calendar years 2017, 2018, and 2019; and

   2) Find that the amendment to allow for storage use is not a new project under CEQA that would cause a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

   Director Steiner motioned, Vice Chair Kennedy seconded, and the motion to approve the staff recommendations passed unanimously.

III. **INFORMATION**
   The following information item was received and filed:
   1. Metropolitan Water District Program Report.

IV. **CLOSED SESSION**
   Chair Weston announced Closed Session item IV-2 was removed.
   Mr. Hattam took the Committee into Closed Session at 12:00 p.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; A148266; and BS169881

Mr. Hattam brought the Committee out of Closed Session at 12:43 p.m. and stated the Committee unanimously recommended that the Board approve extending the following litigation contracts for the next two-year budget period: Keber Van Nest & Peters ($4 million); Brownstein Hyatt Farber Schreck ($2,863,712); Colantuono Highsmith & Whatley ($25,000); Gordon Hess and Associates, Inc. ($120,000); and Water Resource Consultants, Inc. ($120,000).

V. ADJOURNMENT
There being no further business to come before the Imported Water Committee, Chair Weston adjourned the meeting at 12:45 p.m.

LEGISLATION AND PUBLIC OUTREACH COMMITTEE
CALL TO ORDER/ROLL CALL
Chair Guerin called the Legislation and Public Outreach Committee to order at 1:33 p.m. Committee members present were Chair Guerin, Vice Chairs Hall and Tu*, and Directors Arant, Butkiewicz, Croucher, Evans, Gallo, Hilliker, Madaffer*, Scalzitti and Steiner. Committee members absent were Directors Morrison and Muir and Supervisor Gaspar. Also present were Directors Barnum, Boyle, Brady, Cherashore, Fong-Sakai, Hedberg, Heinrichs, Hogan, Kennedy, Miller, Murtland, Olson, Preciado, Razak, Saxod, Simpson, Smith, Watkins, 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 Public Outreach and Conservation Foster, Government Relations Manager Farrel, Water Resources Managers Friehauf and Roy, Public Affairs Supervisor Penunuri and Public Affairs Representative Jenkins. Also present was Scott MacKay from Probe Research, Inc.

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 reported that she and Director Croucher traveled to Washington, D.C. on June 11, 2017, to begin the process of introducing the Water Authority to new members of the Trump Administration.
She announced that the Water Authority was accepting applications for the fall 2017 class of the Citizens Water Academy, and that classes would begin October 10, 2017.

I. CONSENT CALENDAR

1. Adopt positions on various state bills:
   Staff recommendation:
   1-A Adopt a position of Support and Seek Amendments on SB 100 (De Leon), relating to the California Renewable Portfolio Standards program.

   1-B Adopt a position of Oppose Unless Amended on SB 623 (Monning), as proposed to be amended, relating to a public goods charge on water.

   Director Steiner moved, Director Evans seconded, and the motion to approve staffs’ recommendation passed unanimously.

   * Vice Chair Tu arrived at 1:52 p.m.

II. ACTION/DISCUSSION/PRESENTATION

1. Agreement for Regulatory Advocacy Services with the firm of Smith, Watts & Hartmann.
   Selection Panel recommendation: The Water Authority regulatory advocacy services selection panel recommends the Board of Directors adopt an agreement with the firm of Smith, Watts & Hartmann for a period of 12 months, from July 1, 2017 through June 30, 2018, for a total amount not to exceed $93,500.

   Mr. Farrel and Ms. Roy presented an overview of the State Water Resources Control Board’s current initiatives along with a review of the selection panels’ recommendation.

   Director Arant moved, Director Scalzitti seconded, and the motion to approve the selection panels’ recommendation passed unanimously.

   * Director Madaffer arrived at 2:07 p.m.

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.

   Ms. Penunuri presented an overview of the SCOOP goal history as well as the goal evaluation process. She reported on the SCOOP’s third quarter performance and provided the staff recommendation for the program goal for fiscal year 2018.

   Director Steiner moved, Director Tu seconded, and the motion to approve staffs’ recommendation passed. Director Scalzitti abstained.
3. Community Outreach for Capital Improvement Projects.

Ms. Penunuri and Ms. Jenkins presented a review of the Water Authority’s community outreach for the Capital Improvement Program. They provided information regarding stages of outreach and outreach tactics. Ms. Jenkins provided the Board with information regarding the evolution of outreach tactics as well as the team approach that was used for outreach. They reviewed projects that were supported by the outreach team, as well as upcoming projects that would require heavy outreach efforts.

4. Legislative issues.
4-A Washington report by Ken Carpi.

Mr. Carpi provided a Washington report including updates on Water Authority sponsored legislation.

4-B Sacramento report.
   1. Long-Term Water Use Efficiency.

Mr. Farrel presented a review of Water Authority-sponsored water use efficiency legislation, the Assembly Water Conservation working group, and reported on the Governor’s budget trailer bills. Ms. Friehauf presented on the administration’s draft legislation and provided a summary analysis based on legislative priorities.


Mr. Foster introduced Scott MacKay of Probe Research Inc., who gave a presentation on the 2017 Public Opinion Poll results and highlights.

III. INFORMATION
The following information item was received and filed:
1. Government Relations Update.
2. Quarterly report on Public Outreach and Conservation activities.

IV. ADJOURNMENT
There being no further business to come before the Legislation and Public Outreach Committee, Chair Guerin adjourned the meeting at 2:41 p.m.

WATER PLANNING COMMITTEE
CALL TO ORDER/ROLL CALL
Chair Cherashore called the Water Planning Committee meeting to order at 2:47 p.m. Committee members present were Chair Cherashore, Vice Chairs Boyle and Evans*, and Directors Barnum, Brady, Hedberg, Kennedy, Preciado, Razak, Smith and Weston. Absent were Directors Ayala, Lewinger, Muir and Tu. Also present were Directors Arant, Butkiewicz, Croucher, Fong-Sakai, Gallo, Guerin, Hall, Heinrichs, Hilliker, Hogan, Madaffer, Miller,
Murtland, Olson, Saxod, Scalzitti, Simpson, Steiner 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, Director of Water Resources Yamada, Director of Public Outreach and Conservation Foster, Principal Water Resources Specialist Michelon, and Water Resources Specialists German and Vierola.

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
Chair Cherashore welcomed everyone in attendance and announced that a Special Meeting of the Water Planning Committee was scheduled for August 10, 2017.

DIRECTORS’ COMMENTS
There were no Directors’ comments.

I.  CONSENT CALENDAR
There were no Consent Calendar items.

II.  ACTION/DISCUSSION/PRESENTATIONS
1. Water Use Efficiency Program Updates.
   1-A Water Conservation Program Planning and Evaluation Services.

   Mr. Michelon presented information on the need to issue a RFP for professional services for required external reporting and internal quality control of the Public Outreach and Conservation Department’s grant-funded water conservation programs. He reported that a recommendation on select firms would be made later this summer.

*Director Evans arrived at 2:51 p.m.

1-B Qualified Water Efficient Landscaper (QWEL) training program.

Ms. Vierola presented information on the Water Authority’s Qualified Water Efficient Landscaper (QWEL) training program, provided since January 2016 through a professional services contract scheduled to conclude in June 2017, and the need to issue a RFP for professional services to continue the training program. She reported that a recommendation on a select firm would be made later this summer.
1-C Professional Services Contract with Studio West Landscape Makeover Program.

Staff recommendation: Authorize the General Manager to award a three-year professional services contract, with an option for a two-year extension, in an amount not to exceed $381,000 to Studio West Landscape Architecture & Planning to implement the WaterSmart Landscape Makeover Program.

Ms. German presented information on successes achieved with the WaterSmart Landscape Makeover series, including an average 32.8 percent reduction in water use among participants.

Director Kennedy moved, Director Preciado seconded, and the motion to approve staffs’ recommendation passed unanimously.

III. INFORMATION
The following information item was received and filed:

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 3:05 p.m.

FORMAL BOARD OF DIRECTORS' MEETING OF JUNE 22, 2017
1. CALL TO ORDER Vice Chair Madaffer called the Formal Board of Directors’ meeting to order at 3:16 p.m.

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

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

3-A Report on proxies received. Director Hall was the proxy for Director Lewinger.

4. ADDITIONS TO AGENDA
There were no additions to the agenda.
5. **APPROVAL OF MINUTES**
Director Saxod moved, Director Evans seconded, and the motion carried at 93.06% of the vote to approve the minutes of the Formal Board of Directors’ meeting of May 25, 2017 and minutes of the Special Engineering and Operations meeting of September 8, 2016.

Director Olson commented on corrections he requested be made to the May 25, 2017 minutes. Clerk of the Board Cogle confirmed that the requested changes had been applied.

* Director Watkins left at 3:19 p.m. prior to the Consent Calendar vote.

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**
There were no presentations or Public Hearings.

8. **REPORTS BY CHAIRS**
8-A Chairs report: Chair Muir was absent. Vice Chair Madaffer reported on meetings attended throughout the month including regional outreach campaign meetings.

8-B **Report by Committee Chairs:**
- **Administrative and Finance Committee.** Director Saxod reviewed the meeting and the action taken.
- **Engineering and Operations Committee.** Director Heinrichs reviewed the meeting and the action taken.
- **Imported Water Committee.** Director Weston reviewed the meeting and the action taken.
- **Legislation and Public Outreach Committee.** Director Guerin reviewed the meeting and the action taken.
- **Water Planning Committee.** Director Cherashore reviewed the meeting and the action taken.

9. **CONSENT CALENDAR**
Director Weston moved, Director Evans seconded, and the motion carried at 90.32% of the vote to approve Consent Calendar. Directors voting no or abstaining are listed under the item number.

Director Brady was not present during the Consent Calendar vote.
9-1. **Monthly Treasurer’s Report on Investments and Cash Flow.**
The Board noted and filed monthly Treasurer’s Report.

9-2. **Purchase of Water Authority Business Insurance.**
The Board authorized the General Manager to purchase property insurance from Travelers Property Casualty Company of America in the amount of $140,775, liability insurance from Allied World Assurance Company – CalMutuals JPRIMA in the amount of $330,167, and workers’ compensation from Zenith Insurance Company – CalMutuals JPRIMA in the amount of $276,402 for a total amount of $747,344; and adopted Resolution No. 2017-11, a resolution of the Governing Body of the San Diego County Water Authority authorizing application to the Director of Industrial Relations, State of California for a Certificate of Consent to Self-Insure workers’ compensation liabilities.

9-3. **Amendment to Agreement for Special Services with Liebert Cassidy Whitmore to increase the contract limit by $120,000 to a total of $390,000.**
The Board authorized the General Counsel to execute an amendment to the agreement for special labor-related legal services with Liebert Cassidy Whitmore to increase the contract limit by $120,000 from $270,000 to $390,000.

9-4. **General Manager’s Recommended Budget for Fiscal Years 2018 and 2019.**
The Board adopted Resolution No. 2017-12, approving the General Manager’s recommended budget for Fiscal Years 2018 and 2019, for operations and capital improvements and appropriating $1,584,127,560 consistent with the approved budget.

9-5. **Adopt the Water Authority’s rates and charges for calendar year 2018.**
The Board conducted the Public Hearing; adopted Ordinance No. 2017-01, an ordinance of the Board of Directors of the San Diego County Water Authority setting rates and charges for the delivery and supply of water, use of facilities and provision of services; adopted Resolution No. 2017-13, a resolution of the Board of Directors of the San Diego County Water Authority continuing the Standby Availability Charge; adopted Ordinance No. 2017-02, an ordinance of the Board of Directors of the San Diego County Water Authority amending and restating the System Capacity and Water Treatment Capacity Chargers imposed by the Water Authority pursuant to Section 5.9 of the County Water Authority Act; and found the actions exempt from CEQA pursuant to Public Resources Code § 21080(b)(8) and authorized the General Manager to file a notice of exemption.

9-6. **Agreement with Oracle USA, Inc. to renew the Enterprise Resource Planning System software annual maintenance and support agreements.**
The Board authorized the General Manager to renew the Enterprise Resource Planning System software annual maintenance and support agreements with Oracle USA, Inc., for four fiscal years at a total cost of $899,085. The cost per fiscal year is $214,906 for 2018; $221,353 for 2019; $227,993 for 2020, and $234,833 for 2021.
9- 7. **Ordinance amending chapter 9.00 of the Administrative Code.**
The Board adopted Ordinance No. 2017-03, an ordinance of the board of directors of the San Diego County Water Authority amending chapter 9.00 of the Administrative Code.

9- 8. **Pending Litigation.**
The Board authorized General Counsel to engage counsel to defend and seek all available remedies for the noticed action.

9- 9. **Notice of Completion for the Nob Hill Improvements project.**
The Board authorized the General Manager to accept the Nob Hill Improvements project as complete, record the Notice of Completion, and release funds held in retention to L.H. Woods & Sons, Inc. following the expiration of the retention period.

9-10. **San Vicente Energy Storage Facility Study – Cost Sharing Agreement with the City of San Diego.**
The Board authorized the General Manager to enter into an Agreement with the City of San Diego for implementation of Phase 3 Work for the San Vicente Energy Storage Facility Study.

9-11. **Anticipated Litigation.**
The Board approved direction to engage counsel and initiate an action, and the action, the defendants, and the other particulars shall, once formally commenced, be disclosed to any person upon inquiry, unless to do so would jeopardize the agency's ability to effectuate service of process on one or more unserved parties, or that to do so would jeopardize its ability to conclude existing settlement negotiations to its advantage.

Director Steiner voted no on 9-11.
Director Hedberg recused herself on item 9-11.

9-12. **Amend Existing Agreement to Allow for Temporary Use of a Portion of Water Authority's Storage Capacity in Semitropic Water Bank.**
The Board authorized the General Manager to amend the Water Authority’s existing recharge agreement with Homer LLC, a Delaware limited liability company (Homer) in Semitropic Water Storage District’s Stored Water Recovery Unit and Original Water Bank to also allow Homer the use a portion of the Water Authority’s storage capacity in calendar years 2017, 2018, and 2019; and found that the amendment to allow for storage use is not a new project under CEQA that would cause a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.
9-13. **Existing Litigation.**
The Board approved extending the following litigation contracts for the next two-year budget period: Keker Van Nest & Peters ($4 million); Brownstein Hyatt Farber Schreck ($2,863,712); Colantuono Highsmith & Whatley ($25,000); Gordon Hess and Associates, Inc. ($120,000); and Water Resource Consultants, Inc. ($120,000).

9-14. **Adopt positions on various state bills.**
A) The Board adopted a position of Support and Seek Amendments on SB 100 (DeLeon), relating to the California Renewable Portfolio Standards program.
B) The Board adopted a position of Oppose Unless Amended on SB 623 (Monning), as proposed to be amended, relating to a public goods charge on water.

9-15. **Agreement for Regulatory Advocacy Services with the firm of Smith, Watts & Hartmann.**
The Board approved an agreement with the firm of Smith, Watts & Hartmann for a period of 12 months, from July 1, 2017 through June 30, 2018, for a total amount not to exceed $93,500.

9-16. **Recommendation of program goal for Small Contractor Outreach and Opportunities Program.**
The Board authorized the continued SCOOP program goal of 20 percent for fiscal year 2018.

9-17. **Professional Services Contract with Studio West Landscape Architecture & Planning for WaterSmart Landscape Makeover Program.**
The Board authorized the General Manager to award a three-year professional services contract, with an option for a two-year extension, in an amount not-to-exceed $381,000 to Studio West Landscape Architecture & Planning to implement the WaterSmart Landscape Makeover Program.

10. **ACTION/DISCUSION**

11. **SPECIAL REPORTS**
11-A **GENERAL MANAGER’S REPORT** – Ms. Stapleton had nothing further to report.
11-B **GENERAL COUNSEL’S REPORT** – Mr. Hattam had nothing further to report.
11-C **SANDAG REPORT** – No report was given.
   SANDAG Subcommittees:
   Borders Committee – No report was given.
   Regional Planning Committee – No report was given.
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 – Pending Litigation
Government Code §54956.9(d)(1)
Name of Case: San Diegans for Open Government v. SDCWA; San Diego Superior Court Case No. 37-2017-00021082-CU-MC-CTL

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

12-C 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; A148266; and BS169881

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

13. **ACTION FOLLOWING CLOSED SESSION**

14. **OTHER COMMUNICATIONS**

15. **ADJOURNMENT**
There being no further business to come before the Board, Vice Chair Madaffer adjourned the meeting at 3:29 p.m.

Jim Madaffer, Vice Chair

Gary Croucher, Secretary

Melinda Cogle, Clerk of the Board