MINUTES OF THE FORMAL BOARD OF DIRECTORS’ MEETING
AUGUST 24, 2017

ENGINEERING AND OPERATIONS COMMITTEE

CALL TO ORDER / ROLL CALL

Chair Heinrichs called the Engineering and Operations Committee meeting to order at 9:03 a.m. Committee members present were Chair Heinrichs, Vice Chairs Hilliker and Miller, and Directors Boyle, Brady*, Fong-Sakai*, Hogan, Olson, Razak, Smith, and Watkins. Committee members absent were Directors Butkiewicz, Morrison, Preciado, and Simpson. Also present were Directors Arant, Ayala, Cherashore, Guerin, Hall, Saxod, Steiner, Weston, and Wilson. At that time, there was a quorum of the Board, and the meeting was conducted as a meeting of the Board; however, only committee members participated in the vote.

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

ADDITIONS TO AGENDA
There were no additions to the agenda.

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

DIRECTORS’ COMMENTS
There were no Directors’ comments.

CHAIR’S REPORT
Chair Heinrichs reported that the Division of Safety of Dams would require inspection of the spillways for 93 dams across California in response to the Oroville dam spillway crisis, and noted four of the dams on the list were located in the San Diego region. Inspections were expected to be completed over the next several months. He stated there was an article regarding the inspections that contained the entire list of dams included in the handouts. He also reported that the City of San Diego had already been working with DSOD to inspect its four dams, prior to the article.

I. CONSENT CALENDAR
1. Notice of Completion for the San Vicente Dam Inclinometer Installation project
   Staff recommendation: Authorize the General Manager to accept the San Vicente Dam Inclinometer Installation project as complete, record the Notice of Completion, and release funds held in retention to Crux Subsurface, Inc following the expiration of the retention period.
Director Hogan moved, Vice Chair Hilliker seconded, and the motion to approve staffs’ recommendation passed unanimously.

* Director Fong-Sakai arrived at 9:09 a.m. and Director Brady arrived at 9:20 a.m., after the vote on the Consent Calendar but before the vote on the first Action item.

II. ACTION/DISCUSSION/PRESENTATION

1. **Agreements for the management of water quality south of Mission Trails Flow Regulatory Structure.**
   
   **Staff Recommendations:** Authorize the General Manager to negotiate and execute agreements as needed with up to five member agencies to address water quality challenges south of the Mission Trails Flow Regulatory Structure.

   Prior to the presentation, Mr. Hattam requested Directors Scalzitti, Wilson, Hedberg, Preciado, Morrison, Razak, and Smith to recuse themselves from the item because they held office at one of the agencies involved with the agreements. All Directors subject to the request either recused themselves and left or were otherwise not present at the meeting for the item. Chair Heinrichs appointed Directors Arant and Ayala as proxies for Directors Razak and Smith, to regain a quorum of the committee.

   Mr. Fisher presented information regarding the agreements including previous related Board presentations, issue regarding nitrification, and mitigation options.

   Vice Chair Miller moved, Director Fong-Sakai seconded, and the motion to approve staffs’ recommendation passed unanimously.

2. **San Vicente Energy Storage Task Force Update.**

   Director Hogan provided a verbal update from San Vicente Energy Storage Task Force. The Task Force met on August 9, 2017 and discussed status of the Owner’s Representative and Full-Service Team Requests for Proposals, and the Task Force’s engagement in each of the solicitation processes. He stated he would provide another Task Force update on the work effort at the September 2017 Engineering and Operations Committee meeting.

3. **San Diego 12 Flow Control Facility Project Update.**

   Item II-3. was continued to September 28, 2017.

III. INFORMATION

   There were no Information items.

IV. CLOSED SESSION

   Mr. Hattam took the committee into closed session at 9:28 a.m.
1. Conference with Legal Counsel – Existing Litigation
   Government Code §54956.9(d)(1)
   Name of Case: Shimmick Construction Co., Inc./Obayashi Corp.,
   Joint Venture v. San Diego County Water Authority, Riverside
   Superior Court Case No. RIC 1609196

   Mr. Hattam brought the committee out of closed session at 10:17 a.m. and stated there
   was no reportable action.

V. ADJOURNMENT
   There being no further business to come before the Engineering and Operations
   Committee, Chair Heinrichs adjourned the meeting at 10:18 a.m.

WATER PLANNING COMMITTEE
CALL TO ORDER/ROLL CALL
   Chair Cherashore called the Water Planning Committee meeting to order at 10:27 a.m.
   Committee members present were Chair Cherashore, Vice Chair Boyle and Directors Ayala,
   Brady, Hedberg, Kennedy, Munir, Razak, Smith, Tu and Weston. Committee members absent
   were Vice Chair Evans and Directors Baruun, Lewinger and Preciado. Also present were
   Directors Arant, Butkiewicz, Fong-Sakai, Gallo*, Guerin, Hall, Heinrichs, Hilliker, Hogan,
   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, Water Resources Manager Friehauf,
   Principal Engineer Crutchfield, and Senior Water Resources Specialist Herbon. Guests present
   were Poseidon Water Chief Executive Officer Carlos Riva, and Poseidon Water Senior Vice
   President Peter MacLaggan.

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. He thanked those who attended the
   Special Water Planning Committee Meeting on August 10, 2017 and for their input on the Water
   Authority’s regional water-use efficiency program, and potential updates to Water Use Efficiency
   Policy Principles. He added that staff would review feedback and return to the Committee in
   December seeking adoption of an updated set of Water Use Efficiency policy principles.
DIRECTORS’ COMMENTS

There were no Directors’ comments.

I. CONSENT CALENDAR

   Staff recommendation: Authorize the General Manager to award a professional services contract to Kleinfelder, Inc., in an amount not to exceed $250,000 to complete the System Seismic Vulnerability Assessment.

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

II. ACTION/DISCUSSION/PRESENTATIONS

1. Approve the Water Shortage Contingency Plan.
   Staff recommendation: Approve the Water Shortage Contingency Plan.

   Ms. Friehauf presented information on the update to the Water Shortage Contingency Plan, including background on the Water Authority Board shortage response planning actions, purpose for updating the plan, input and comments received from Member Agencies, and highlights of the update. Next steps would include a review and update of the 2008 Model Drought Response Ordinance in 2018 or 2019, and full review and update of the Water Shortage Contingency Plan as part of the 2020 Urban Water Management Plan update. Staff responded to questions and comments posed by Directors.

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

2. Resolution authorizing the General Manager to submit an application and administer grant funds for Proposition 1 Round 4 Desalination Grant Funding.
   Staff recommendation: Adopt Resolution No. 2017-14 establishing that:

   a) The General Manager is authorized to sign and file for, on behalf of the Water Authority, an application for funding from the California Department of Water Resources’ Water Desalination Grant Program (Proposition 1 Round 4) in an amount not to exceed $10,000,000 for the Lewis Carlsbad Desalination Plant Intake Modifications.

   b) The Water Authority will comply with all applicable state and federal statutory and regulatory requirements related to any federal and state funds received.

   c) The General Manager or designee is authorized to negotiate and execute a funding agreement and any amendments thereof, and certify funding disbursements on behalf of the Water Authority.
Mr. Yamada provided a brief introduction. Ms. Herbon presented an overview of the Water Desalination Grant Program and provided details on the current Proposition 1 funding opportunity. Staff responded to questions and comments posed by Directors.

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


Mr. Yamada provided introductory remarks on operations of the Claude "Bud" Lewis Carlsbad Desalination Plant (CDP). Mr. Crutchfield presented an overview of the public-private partnership and the Water Purchase Agreement (WPA) between the Water Authority and Poseidon. Information was presented on 2016/2017 water delivery performance, water quality performance, regulatory compliance, and contract year costs. It was noted that an unexcused supply shortfall was experienced due to an algal bloom in Agua Hedionda Lagoon and source water temperature swings.

Mr. Riva provided a review of CDP operations. Additional details were provided on challenging source water conditions and the corrective actions taken. It was highlighted that the WPA provided the Water Authority and Member Agencies with financial protection and that Poseidon was committed to delivering a safe, reliable and financially secure water supply.

Staff and guests responded to questions and comments posed by Directors. Ms. Stapleton provided remarks on the effectiveness of the public-private partnership with Poseidon in operation of the CDP.

* Director Gallo arrived at 11:27 a.m.

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 11:38 a.m.

LEGISLATION AND PUBLIC OUTREACH COMMITTEE
CALL TO ORDER/ROLL CALL
Chair Guerin called the Legislation and Public Outreach Committee to order at 11:44 a.m. Committee members present were Chair Guerin, Vice Chairs Hall and Tu, and Directors
Arant, Butkiewicz, Gallo, Hilliker, Madaffer*, Muir, Scalzitti, and Steiner. Committee members absent were Directors Croucher, Evans, Morrison and Supervisor Gaspar. Also present were Directors Barnum, Boyle, Brady, Cherashore, Fong-Sakai, Hedberg, Heinrichs, Hogan, Kennedy, Miller, Murtland, Olson, Preciado, Razak, Saxod, 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, and Water Resources Manager Frieauf. Also present was legislative representative Ken Carpi.

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 the Legislative Roundtable on August 7, 2017, with Assemblymember Lorena Gonzalez Fletcher was well-attended and added that the Assemblymember offered her perspectives on a variety of water issues.

She reported that Vice Chair Madaffer and Director Tu would be participating in the San Diego Regional Chamber of Commerce advocacy trip to Washington D.C. September 24 through September 27, 2017, to help convey key water issues.

I. CONSENT CALENDAR
1. Adopt positions on various federal bills:
   Staff recommendation:
   1-A Adopt a position of Support on H.R. 448 (Huffman), relating to the exclusion of water conservation rebates from federal income tax.

   1-B Adopt a position of Support on S. 1464 (Feinstein), relating to the exclusion of water conservation rebates from federal income tax.

   Mr. Farrel provided an overview of H.R. 448 (Huffman) and S. 1464 (Feinstein), and presented the staff recommendation to the Board.

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

* Director Madaffer arrived at 11:58 a.m.
II. ACTION/DISCUSSION/PRESENTATION

1. Legislative issues.

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

   1-B Sacramento Report.

      1. Long-Term Water-Use Efficiency.

   Mr. Farrel provided a Sacramento update, in which he provided updates on Water Authority-sponsored bills AB 1323 (Weber) regarding establishing a stakeholder workgroup process through DWR to develop long-term water-use efficiency standards, and SB 701 (Hueso) regarding Salton Sea restoration. He also provided an update on activities of the Little Hoover Commission.

   Mr. Farrel presented a review of Water Authority-sponsored water-use efficiency legislation and next steps within the Legislature. Ms. Friehauf provided a summary analysis of proposed amendments to SB 606 (Hertzberg/Skinner) and AB 1668 (Friedman) based on legislative priorities.

   Mr. Farrel provided information on SB 623 (Monning) regarding a public goods charge on water, and stated it was heard on August 23, 2017, in the Assembly Appropriations Committee and was referred to the suspense file. He stated the deadline for the bill to advance to the Assembly Floor was September 1, 2017.

   2. Proposed Water Bonds.

   Mr. Farrel presented an update on the three legislative resources/water bonds and two ballot initiative resources/water bonds that were active, and discussed the likelihood that a legislative bond would be passed by Legislature prior to the September 15 recess.

III. INFORMATION

The following information items were received and filed:

   1. Small Contractor Outreach and Opportunities Program (SCOOP) Annual Report.
   2. 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 12:30 p.m.
IMPORTED WATER COMMITTEE
CALL TO ORDER / ROLL CALL

Chair Weston called the Imported Water Committee meeting to order at 1:15 p.m. Committee members present were Chair Weston, Vice Chairs Fong-Sakai and Kennedy, and Directors Barnum, Hogan, Madaffer, Miller, Murtland, Olson, Saxod, Scalzitti, Steiner, Wilson and Supervisor Gaspar. Committee members absent were Director Lewinger and Supervisor Gaspar. Also present were Directors Arant, Brady, Butkiewicz, Cherashore, Croucher, Evans, Gallo, Guerin, Hall, Hedberg, Heinrichs, Hilliker, Muir, Preciado, Razak, Smith, 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 Managers Cushman and Denham, and MWD Program Director Chen. In addition, Assistant General Manager/Strategic Water Initiatives, Roger Patterson of Metropolitan Water District was present.

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 Weston announced the State Water Resources Control Board would hold a public workshop on September 7, 2017, to receive information and solicit public input regarding the State’s Salton Sea Management Program and Draft Stipulated Order for future action by the Board at its regularly scheduled meeting. He stated that the Water Authority was heavily involved in the process to develop terms of the draft order and would submit comments supporting adoption.

Chair Weston commented on significant implications to the Water Authority’s ratepayers, and enduring consequences for all California water ratepayers, if the Appellate Court ruling was left unchallenged. He noted the correspondence received from MWD Chair Randy Record regarding Water Authority efforts to gain support for the Supreme Court Petition, and Chair Muir’s response. Chair Weston wanted to make clear, since he was at the meeting with the Delta Supervisors, that the Water Authority message to the Delta County Supervisors was simple: if the Appellate Court’s decision were to stand, it would severely impede water transfers in California since it essentially condones and allows a special tax to be collected to pay for the State Water Project outside the boundaries of State law and the State Constitution. Since the Board had not taken a position on the project, he stated the Water Authority did not express a position on the WaterFix as MWD’s letter implied. He announced that later in the meeting, Mr. Roger Patterson would present MWD’s view on the WaterFix.
Lastly, Chair Weston reminded the Board to contact Ms. Chen if interested in the MWD Overview for Directors, which includes attending MWD meetings to experience firsthand how MWD operates and to see our Delegates hard at work.

DIRECTORS’ COMMENTS
There were no Directors’ comments.

I. CONSENT CALENDAR
There were no Consent Calendar items.

II. ACTION/DISCUSSSION/PRESENTATION
1. MWD issues and activities update.
   1-A Metropolitan Water District Delegates’ Report.

   The MWD Delegates Hogan, Steiner, and Saxod briefed the Board on the most recent MWD Board Committee meetings.

   1-B Update on California WaterFix and Metropolitan Water District’s Review Process.

   Chair Weston introduced Mr. Patterson from MWD to present on the California WaterFix. Mr. Patterson presented an update on the California WaterFix, including an overall program review, project design and construction, project benefits, cost estimate and allocation, rate impacts, and water supply reliability. He ended his presentation with questions and answers and encouraged the Board to attend the September 26, 2017, MWD Board Workshop.

   Ms. Chen presented an update beginning with Water Authority support for fixing Bay Delta, a review from the last update, supply benefits, cost assumptions, unresolved issues, questions on white paper review, and project considerations.

   Board members asked many questions. After much discussion, Chair Weston thanked Mr. Patterson for the presentation.

2. Colorado River Program.
   2-A Colorado River Board Representative’s report.

   Director Wilson requested the Board refer to the report in the board packet and announced they would be voting on Minute 323 at the September Colorado River Board Meeting.

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

Mr. Hattam announced Closed Session item IV-2 would be handled in its entirety by outside special counsel from Brownstein Hyatt Farber Shreck. Mr. Hattam recused himself and reported that the General Counsel’s office would not attend or participate in the Closed Session. Mr. Herrema joined via teleconference.

Mr. Hattam took the Committee into Closed Session at 3:15 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;
   BS169881; and CA Supreme Court Case No. TEMP- JWSQ01PN

2. 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

3. Conference with Legal Counsel – Anticipated Litigation
   Government Code §54956.9(d)(2)
   Significant Exposure – One Case

4. Conference with Legal Counsel – Anticipated Litigation
   Government Code §54956.9(d)(2)
   Significant Exposure – One Case

Mr. Hattam brought the committee out of Closed Session at 4:13 p.m. and reported that there was no reportable action taken on items IV-1 and IV-2.

Mr. Hattam reported on item IV-3 and stated the Board had approved General Counsel 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 of more unserved parties, or that to do so would jeopardize its ability to conclude existing settlement negotiations to its advantage.

Mr. Hattam reported on item IV-4 and stated that the Board approved General Counsel’s continued engagement of an outside counsel to represent Director Keith Lewinger and the Water Authority in regards to MWD Ethics Office issues.
V. ADJOURNMENT

There being no further business to come before the Imported Water Committee, Chair Weston adjourned the meeting at 4:15 p.m.

ADMINISTRATIVE AND FINANCE COMMITTEE
CALL TO ORDER / ROLL CALL

Chair Saxod called the Administrative and Finance Committee meeting to order at 4:19 p.m. Committee members present were Chair Saxod, Vice Chair Arant, and Directors Ayala, Cherashore, Croucher, Gallo*, Guerin, Hall, Hedberg, Heinrichs, and Murtland. Committee members absent were Vice Chair Wilson and Directors Simpson and Watkins. Also present were Directors Butkiewicz, Fong-Sakai, Hilliker, Hogan, Kennedy, Madaffer, Miller, Muir, Olson, Preciado, Razak, Scalzitti, Smith, Steiner, 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, Assistant General Manager Cushman, Director of Finance/Treasurer Harris, Interim Director of Administrative Services Troche, Budget and Analysis Manager Whyte, Financial Planning Manager Shank, and Controller Woidzik.

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 Saxod asked Ms. Harris if the Water Authority had any existing interest rate swaps as part of the debt portfolio. Ms. Harris responded that the Water Authority does not have any interest rate swaps, nor a history of interest rate swaps, in the debt portfolio.

DIRECTORS’ COMMENTS

There were no Directors’ comments.

I. CONSENT CALENDAR

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

   Director Ayala moved, Director Hall seconded, and the motion to approve staffs’ recommendation passed unanimously.
II. ACTION/DISCUSSION/PRESERVATION

1. Resolution establishing amount due from the City of San Diego for the In-Lieu Charge as a condition of providing water service for Fiscal Year 2018.
   Staff recommendation: Adopt Resolution 2017-15 establishing an amount due of $2,237,607.80 from the City of San Diego for the In-Lieu charge for Fiscal Year 2018.

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

* Director Gallo arrived at 4:21 p.m.

2. Ordinance amending Chapter 2.00 of the Administrative Code.
   Staff recommendation: Adopt Ordinance No. 2017-05, an ordinance of the board of directors of the San Diego County Water Authority amending Chapter 2.00 of the Administrative Code.

Vice Chair Arant moved and Director Murtland seconded.

Director Olson requested the item be deferred until the September 28, 2017 meeting to allow for further discussion to address concerns he had. He formally requested the motion be withdrawn. Vice Chair Arant declined to withdraw the motion.

The vote took place and the motion to approve staffs’ recommendation passed unanimously.

III. INFORMATION

The following items were received and filed:
4. Board Calendar.

V. CLOSED SESSION

There were no Closed Session items.

VI. ADJOURNMENT

There being no further business to come before the Administrative and Finance Committee, Chair Saxod adjourned the meeting at 4:30 p.m.

FORMAL BOARD OF DIRECTORS’ MEETING OF AUGUST 24, 2017

1. CALL TO ORDER Chair Muir called the Formal Board of Directors’ meeting to order at 4:34 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, Ayala, Butkiewicz, Cherashore, Croucher, Evans, Fong-Sakai, Gallo, Guerin, Hall, Hedberg, Heinrichs, Hilliker, Hogan, Kennedy, Madaffer, Miller, Muir, Murtland, Olson, Preciado, Razak, Saxod, Scalzitti, Smith, Steiner, and Weston. Directors absent were Barnum, Boyle, Brady, Lewinger (p), Morrison, Simpson, Tu, Watkins, Wilson, and Supervisor Gaspar.

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

4. **ADDITIONS TO AGENDA**
   There were no additions to the agenda.

5. **APPROVAL OF MINUTES**
   Director Steiner moved, Director Scalzitti seconded, and the motion carried at 88.59% of the vote to approve the minutes of the Formal Board of Directors’ meeting of July 27, 2017.

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  Presentation by Senator Joel Anderson’s office recognizing the Water Authority for receiving the 2017 Outstanding Civil Engineering Achievement Award from the American Society of Civil Engineers.

   Chair Muir introduced a representative of Senator Joel Anderson’s office, who spoke briefly and presented a Senate Certificate of Recognition to the Board of Directors for achieving the international distinction of receiving the 2017 Outstanding Civil Engineering Achievement Award from the American Society of Civil Engineers.

   7-B  Recognition of Ashley Jenkins, Employee of the 4th Quarter.

   Chair Muir and Ms. Stapleton recognized Public Affairs Representative II Ashley Jenkins as employee of the 4th Quarter.

8. **REPORTS BY CHAIRS**
8-A Chairs report: Chair Muir reported he had attended several meetings at Metropolitan Water District in Los Angeles with Secretary Croucher and LPO Chair Guerin including a two-hour workshop on the California WaterFix.

He reminded the Board of the upcoming workshop planned for October 12, 2017 at 8:00 a.m. at the Ronald Reagan Community Center in El Cajon.

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

* Directors Razak and Hall left at 4:42 p.m., prior to the discussion and vote on the Consent Calendar.

9. **CONSENT CALENDAR**
Item Nos. 9-6 and 9-11 were removed from the Consent Calendar.

Director Ayala moved, Director Kennedy seconded, and the motion carried at 86.52% of the vote to approve the Consent Calendar, with the exception 9-6 and 9-11. Directors voting no or abstaining are listed under the item.

9-1. **Notice of Completion for the San Vicente Dam Inclinometer Installation project.**
The Board authorized the General Manager to accept the San Vicente Dam Inclinometer Installation project as complete, record the Notice of Completion, and release funds held in retention to Crux Subsurface, Inc. following the expiration of the retention period.

9-2. **Agreements for the management of water quality south of Mission Trails Flow Regulatory Structure.**
The Board authorized the General Manager to negotiate and execute agreements as needed with up to five member agencies to address water quality challenges south of the Mission Trails Flow Regulatory Structure.

Directors Preciado, Scalzitti, Hedberg, Smith, and Croucher recused themselves from voting on item 9-2.
9. 3. **Professional Services Contract for the System Seismic Vulnerability Assessment.**
The Board authorized the General Manager to award a professional services contract to Kleinfelder, Inc., in an amount not to exceed $250,000 to complete the System Seismic Vulnerability Assessment.

9. 4. **Approve the Water Shortage Contingency Plan.**
The Board approved the Water Shortage Contingency Plan.

9. 5. **Resolution authorizing the General Manager to submit an application and administer grant funds for Proposition 1 Round 4 Desalination Grant Funding.**
The Board adopted Resolution No. 2017-14 establishing that the General Manager is authorized to sign and file for, on behalf of the Water Authority, an application for funding from the California Department of Water Resources' Water Desalination Grant Program (Proposition 1 Round 4) in an amount not to exceed $10,000,000 for the Lewis Carlsbad Desalination Plant Intake Modifications; the Water Authority will comply with all applicable state and federal statutory and regulatory requirements related to any federal and state funds received; and, the General Manager or designee is authorized to negotiate and execute a funding agreement and any amendments thereof, and certify funding disbursements on behalf of the Water Authority.

9. 6. **Adopt positions on various federal bills.**
   A) Adopt a position of Support on H.R. 448 (Huffman), relating to the exclusion of water conservation rebates from federal income tax.

   B) Adopt a position of Support on S. 1464 (Feinstein), relating to the exclusion of water conservation rebates from federal income tax. **THIS ITEM WAS REMOVED FROM THE CONSENT CALENDAR.**

9. 7. **Anticipated Litigation.**
The Board approved General Counsel 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.

9. 8. **Anticipated Litigation.**
The Board approved General Counsel’s continued engagement of counsel to represent Director Keith Lewinger and the Water Authority in regards to MWD Ethics Office issues.

9. 9. **Monthly Treasurer’s Report on Investments and Cash Flow.**
The Board noted and filed monthly Treasurer’s Report.
9-10. Resolution establishing amount due from the City of San Diego for the In-Lien Charge as a condition of providing water service for Fiscal Year 2018.
The Board adopted Resolution 2017-15 establishing an amount due of $2,237,607.80 from the City of San Diego for the In-Lien charge for Fiscal Year 2018.

9-11. Ordinance amending Chapter 2.00 of the Administrative Code.
Adopt Ordinance No. 2017-05, an ordinance of the board of directors of the San Diego County Water Authority amending Chapter 2.00 of the Administrative Code. THIS ITEM WAS REMOVED FROM THE CONSENT CALENDAR.

ITEMS REMOVED FROM THE CONSENT CALENDAR

9-6. Adopt positions on various federal bills.
The Board adopted a position of Support on H.R. 448 (Huffman) and S. 1464 (Feinstein), relating to the exclusion of water conservation rebates from federal income tax.

Director Olson spoke on item 9-6 and expressed his concern in approving the staff recommendation as presented. He made a motion to Oppose federal bills H.R. 448 (Huffman) and S. 1464 (Feinstein). The motion failed to pass due to lack of a second.

Director Guerin made a motion to approve staff recommendation for item 9-6, Director Kennedy seconded, and the motion carried at 86.52% of the vote to approve staffs’ recommendation. Director Olson opposed the vote.

9-11. Ordinance amending Chapter 2.00 of the Administrative Code.
The Board adopted Ordinance No. 2017-05, an ordinance of the board of directors of the San Diego County Water Authority amending Chapter 2.00 of the Administrative Code.

Director Olson spoke in opposition of the staff recommendation on item 9-11. Brief discussion followed regarding Director Olson’s comments, including clarification from Chair Muir, Ms. Stapleton and Mr. Hattam of Director Olson’s requests and concerns.

Director Preciado made a motion to approve staff recommendation for item 9-11, Director Arant seconded, and the motion carried at 86.52% of the vote to approve staffs’ recommendation. Director Olson opposed the vote.

10. ACTION/DISCUSSION

11. SPECIAL REPORTS
11-A GENERAL MANAGER’S REPORT – Ms. Stapleton reminded the Board
of the Special Workshop scheduled on October 12, 2017.

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

11-C SANDAG REPORT – Chair Muir reported on discussion and action taken at the recent SANDAG Board Meeting.
SANDAG Subcommittees:
Borders Committee – Director Croucher reported that no meeting had taken place.
Regional Planning Committee – Director Olson reported that no meeting had taken place.

11-D AB 1234 Compliance Reports – Director Croucher reported his attendance at various outreach meetings in Los Angeles.

12. CLOSED SESSION(S)
Mr. Hattam took the Board into Closed Session for item 12-A. at 5:01 p.m.

12-A Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
Name of Case: Shimmick Construction Co., Inc./Obayashi Corp. joint venture v. San Diego County Water Authority, Riverside Superior Court
Case No. RIC 1609196

12-B 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; BS169881; and
CA Supreme Court Case No. TEMP-JWSQ01PN

12-C 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

12-D Conference with Legal Counsel – Anticipated Litigation
Government Code §54956.9(d)(2)
Significant Exposure – One Case
12-E Conference with Legal Counsel – Anticipated Litigation
Government Code §54956.9(d)(2)
Significant Exposure – One Case

Mr. Hattam brought the Board out of Closed Session at 5:04 p.m. and stated there was no reportable action.

13. ACTION FOLLOWING CLOSED SESSION

14. OTHER COMMUNICATIONS

15. ADJOURNMENT
There being no further business to come before the Board, Chair Muir adjourned the meeting at 5:05 p.m.

Mark Muir, Chair

Gary Croucher, Secretary

Melinda Nelson, Clerk of the Board