

**MINUTES OF THE FORMAL BOARD OF DIRECTORS' MEETING
JULY 26, 2018**

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

Chair Cherashore called the Water Planning Committee meeting to order at 9:00 a.m. Committee members present were Chair Cherashore, Vice Chairs Boyle and Evans, and Directors Ayala, Barnum, Bebee, Bienes, Cate, Kennedy, Muir, Smith, and Weston. Committee members absent were Directors Hedberg, Lewinger, and Preciado. Also present were Directors Arant, Butkiewicz, Croucher, Fong-Sakai, Gallo, Guerin, Hall, Heinrichs, Hilliker, Katz, Madaffer, Murtland, 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 Managers Cushman and Denham, Director of Water Resources Yamada, Director of Public Outreach and Conservation Vedder, Water Resources Manager Friehauf, Principal Engineer Crutchfield, and Senior Water Resources Specialist Herbon.

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.

DIRECTORS' COMMENTS

There were no Directors' comments.

I. CONSENT CALENDAR

1. Resolution authorizing the General Manager to submit application and administer grant funds for WaterSmart: Desalination Construction Project Under the Water Infrastructure for Improvements to the Nation (WIIN) Act.
Staff recommendation: Adopt Resolution No. 2018-12 establishing that:
 - a) The General Manager is authorized to sign and file for, on behalf of the Water Authority, a grant application for funding from the Department of the Interior, Bureau of Reclamation (WaterSmart: Desalination Construction Projects Under the WIIN Act) in an amount not to exceed \$10,165,000 for the Lewis Carlsbad Desalination Plant (CDP) Intake Modifications Project.

- 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.

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

II. ACTION/DISCUSSION/PRESENTATIONS

At that time, Chair Cherashore took the Agenda out of order.

- 3. Claude "Bud" Lewis Carlsbad Desalination Plant Permitting Status for the Proposed Intake and Discharge System Modifications.

Mr. Yamada provided background information, and an overview, of proposed intake and discharge modifications to the Claude "Bud" Lewis Carlsbad Desalination Plant including the current intake and discharge configuration, permitting status for the new intake, the proposed intake and discharge configuration, proposed intake improvements, and planned phased implementation/operation and pilot testing.

- 1. Agreement for Water Service to the Sycuan Band of the Kumeyaay Nation.
Staff recommendation: Authorize the General Manager to execute an Agreement for Water Service to the Sycuan Band of the Kumeyaay Nation.

Ms. Frieauf provided a presentation on the staff recommendation for the Agreement for water service to the Sycuan Band of the Kumeyaay Nation. She reviewed California Water Code Section 71611.5, key provisions of the agreement, Sycuan lands to be served by the agreement, and the Water Authority's Annexation Policy.

Director Wilson recused himself.

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

- 2. Implementation of New State Laws Pertaining to Urban Water-Use Efficiency Objectives and Water Management.

Ms. Frieauf provided information regarding new state laws SB 606 and AB 1668 including urban water-use efficiency objectives, how urban water-use objectives were calculated, CII performance measures, an implementation timeline, ongoing solicitations for public input, and Water Authority's next steps.

3. Annual Storage Assessment.

Mr. Crutchfield presented the annual storage assessment report and included information on management of emergency and carryover storage, as well as the current storage status of each.

III. INFORMATION

The following Information item was received and filed:

1. Water Resources report.

IV. ADJOURNMENT

There being no further business to come before the Water Planning Committee, Chair Cherashore adjourned the meeting at 10:06 a.m.

LEGISLATION AND PUBLIC OUTREACH COMMITTEE

CALL TO ORDER/ROLL CALL

Chair Guerin called the Legislation and Public Outreach Committee to order at 10:14 a.m. Committee members present were Chair Guerin, Vice Chairs Butkiewicz and Hall, and Directors Arant, Cate, Croucher, Evans, Gallo, Hilliker, Madaffer, Muir, Scalzitti, and Steiner. Committee members absent were Director Morrison and Supervisor Roberts. Also present were Directors Arant, Barnum, Bebee, Boyle, Cherashore, Fong-Sakai, Heinrichs, Katz, Kennedy, Murtland, Saxod, 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 Managers Cushman and Denham, Director of Public Outreach and Conservation Vedder, Director of Administrative Services Foster, Government Relations Manager Farrel, Public Affairs Supervisor Lee, and Public Affairs Representative Balben. 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 announced the Water Authority would be hosting Senator Ben Hueso for a legislative roundtable on August 1, 2018.

DIRECTORS' COMMENTS

There were no Directors' comments.

I. CONSENT CALENDAR

There were no Consent Calendar items.

II. ACTION/DISCUSSION/PRESENTATION

1. Legislative issues.

1-A Washington report by Ken Carpi.

Mr. Carpi provided a Washington report which included updates related to issues of interest of the Water Authority.

1-B Sacramento Report.

Mr. Farrel provided a Sacramento report which included an update on the status of the water tax and Water Authority Sponsored bills.

2. Adopt a Resolution of Support for Proposition 3, the Water Supply and Water Quality Act of 2018.

Staff recommendation: Adopt resolution 2018-13 endorsing Proposition 3, the Water Supply and Water Quality Act of 2018.

Mr. Farrel, along with Proposition 3 sponsor Jerry Meral, presented the Board with an overview and background regarding Proposition 3.

Director Evans moved, Director Butkiewicz seconded, and the motion to approve staffs' recommendation passed. Director Cate abstained from the vote.

3. San Diego Regional Communications Program Update.

Ms. Vedder and Mr. Lee presented an update of the summer "Brought To You By Water" outreach campaign.

4. Public Opinion Research Assessment.

Mr. Foster and Mr. Balben presented an overview of the public opinion research assessment regarding polling.

III. INFORMATION

The following Information item was received and filed:

1. Government Relations Update.

IV. CLOSED SESSION

There were no Closed Session items.

V. ADJOURNMENT

There being no further business to come before the Legislation and Public Outreach Committee, Chair Guerin adjourned the meeting at 11:21 a.m.

IMPORTED WATER COMMITTEE

CALL TO ORDER / ROLL CALL

Chair Weston called the Imported Water Committee meeting to order at 11:25 a.m. Committee members present were Chair Weston, Vice Chairs Fong-Sakai and Kennedy, Directors Barnum, Katz, Madaffer, Murtland, Saxod, Scalzitti, Steiner, and Wilson. Committee members absent were Directors Hogan, Lewinger, Miller, and Supervisor Roberts. Also present were Directors Arant, Bebee, Boyle, Butkiewicz, Cate, Cherashore, Croucher, Evans, Gallo, Guerin, Heinrichs, Hilliker, Muir, Preciado, 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, MWD Program Director Chen, and Colorado River Program Director Rodgers.

ADDITIONS TO AGENDA

Chair Weston announced Closed Session items would be moved to the beginning of the meeting.

IV. CLOSED SESSION

Mr. Hattam took the committee into Closed Session at 11:27 a.m.

1. Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
SDCWA v. Metropolitan Water District of Southern California;
San Francisco Superior Court Case Nos. CPF-10-510830; CPF-12-512466; CPF-14-514004; CPF-16-515282; CPF-16-515391; CGC-17-563350; California County of Appeal (1st District) Case Nos. A146901; A148266; A154325; California Supreme Court Case No. S243500, and Los Angeles Superior Court Case No. BS 173868
2. Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
California Department of Water Resources v. All Persons Interested; Sacramento Superior Court Case No. 34-2017-00215965-CU-MC-GDS; and JCCP 4942

Mr. Hattam brought the committee out of Closed Session at 12:00 p.m. and stated there was no reportable action.

PUBLIC COMMENT

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

CHAIR'S REPORT

Chair Weston reported on the two WaterFix Joint Powers Authorities: Delta Conveyance Finance Authority; and Delta Conveyance Design and Construction JPA. He announced two meetings of WaterFix's JPAs had taken place, and during the first meeting the Finance Authority selected MWD Board Chairman Randy Record to serve as Chair and authorized submitting a Letter of Interest to the EPA to apply for WIFIA loans to finance \$1.6 billion of WaterFix's costs. He stated the Design and Construction JPA, or DCA, adopted a Fiscal Year 2019 budget of almost \$134 million.

Chair Weston commented on the hard work MWD Delegates carry and thanked Directors Saxod and Lewinger for their service as MWD Delegates. He added that Directors Butkiewicz and Smith replaced them as Delegates on the MWD Board effective July 15, 2018.

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.

Delegates Steiner and Saxod reported on discussion and action taken at the recent MWD Board meetings.

2. Colorado River Programs.
2-A Colorado River Board Representative's report.

Director Wilson reported on recent events at the Colorado River Board meeting and announced Chairman Bart Fisher had resigned and David Pettijohn would be interim Chairman.

3. Adopt Position Statement on the California WaterFix Project and Updated Bay-Delta Policy Principles.
Staff recommendation: Adopt the proposed position statement on the California WaterFix project and updated Bay-Delta Policy Principles to reflect recent events and developments and to protect the San Diego region's ratepayers' interests.

Ms. Chen began with a brief history of the Water Authority and Bay Delta relationship, recent MWD board activities, and WaterFix impacts on Water Authority's ratepayers. She

explained the Water Authority's board actions and activities between May and June and reviewed WaterFix Policy Principles and proposed modifications.

After much discussion, the Board requested the modifications be simplified, and to hold a Special Board Workshop on August 9, 2018 to discuss the Policy Principles in further detail.

4. Metropolitan Water District of Southern California Meter Workgroup Update.

Chair Weston announced due to time constraints, item II-4 would be moved to the August 23, 2018 meeting.

III. INFORMATION

The following Information item was received and filed:

1. Metropolitan Water District Program Report.

V. ADJOURNMENT

There being no further business to come before the Imported Water Committee, Chair Weston adjourned the meeting at 12:57 p.m.

ADMINISTRATIVE AND FINANCE COMMITTEE

CALL TO ORDER / ROLL CALL

Chair Saxod called the Administrative and Finance Committee meeting to order at 1:45 p.m. Committee members present were Chair Saxod, Vice Chairs Arant and Wilson, and Directors Ayala, Cherashore, Croucher, Gallo, Guerin, Hall, Heinrichs, Murtland and Watkins. Committee members absent were Directors Hedberg and Simpson. Also present were Directors Barnum, Bebee, Butkiewicz, Cate, Evans, Fong-Sakai, Hilliker, Katz, Kennedy, Madaffer, Morrison, Muir, Preciado, 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 Managers Cushman and Denham, Director of Finance/Treasurer Harris, Director of Administrative Services Foster, Director of Operations and Maintenance Fisher, Controller Woidzik, Budget and Analysis Manager Whyte, and Information Systems Manager Constantineau.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

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

CHAIR'S REPORT

There was no Chair's report.

DIRECTORS' COMMENTS

There were no Directors' comments.

IV. CLOSED SESSION

Mr. Hattam announced the agenda would be taken out of order and took the committee into Closed Session at 1:46 p.m.

1. Threat to Public Services or Facilities
Cybersecurity of Water Authority Services and Facilities
Consultation with: Director of Administrative Services, Director of Operations and Maintenance
Government Code §54947(a)
2. Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
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 2:15 p.m. and stated there was no reportable action.

I. CONSENT CALENDAR

1. Monthly Treasurer's Report on Investments and Cash Flow.
Staff recommendation: Note and file the Treasurer's report.

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

II. ACTION/DISCUSSION/PRESENTATION

1. Consideration of the Fiscal Years 2018 and 2019 Mid-Term Budget Update.
Staff recommendation: Approve the recommended mid-term budget adjustments.

Ms. Stapleton presented Water Authority accomplishments in the areas of water supply, water facilities, capital improvement program and business services. She also reviewed water sales, water purchases and treatment, and the 2018 & 2019 Mid-Term Budget Update.

Director Muir commended staff on the preparation of the mid-term budget.

Directors asked questions and Ms. Stapleton provided answers.

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

2. Water Authority Cybersecurity Efforts and Resource Deployment Plan.

Mr. Foster gave a brief presentation on Water Authorities Cybersecurity Efforts and Resource Deployment Plan including cybersecurity threats and impacts, background of the water authority's systems, security initiatives and organizational changes.

III. INFORMATION

The following information items were received and filed:

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

V. ADJOURNMENT

There being no further business to come before the Administrative and Finance Committee, Chair Saxod adjourned the meeting at 2:35 p.m.

ENGINEERING AND OPERATIONS COMMITTEE

CALL TO ORDER / ROLL CALL

Chair Heinrichs called the Engineering and Operations Committee meeting to order at 2:39 p.m. Committee members present were Chair Heinrichs, Vice Chair Hilliker*, and Directors Bebee, Butkiewicz, Fong-Sakai, Katz, Preciado, Smith, and Watkins. Committee members absent were Vice Chair Miller, and Directors Bienes, Boyle, Hogan, Morrison, and Simpson. Also present were Directors Arant, Ayala, Barnum, Cate, Cherashore, Croucher, Evans, Gallo, Guerin, Hall, Kennedy, Madaffer, Muir, Murtland, 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 Managers Cushman and Denham, Director of Operations and Maintenance Fisher, Director of Engineering Reed, Senior Engineering Manager Bousquet, Operations and Maintenance Managers Castaing and Meda, Administrative Services Manager Troche, Principal Engineers Griffis and Kuzmich, Senior Engineer Fountain, and Engineer P.E.s Casavantes and Heu.

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 on awards received by Operations & Maintenance staff at the APWA Annual Training & Equipment Show in Bonita on July 12, 2018. He stated that Senior Technicians John Brown and Bobby Bond placed first and second in the backhoe skills

competition, Mr. Bond also won the overall master operator award for all combined equipment events, and Maintenance Worker I Tony Zepeda won the wheel barrel race. Mr. Brown and Mr. Bond will compete at the 2018 National APWA ROADEO in Kansas City, MO in August 2018.

I. CONSENT CALENDAR

1. Services contract with Co's Traffic Control, Inc. for traffic control services.
Staff recommendation: Authorize the General Manager to award a services contract to Co's Traffic Control Inc. to provide traffic control services for a period of two years, with an option to extend the contract for an additional two years, for a total not-to-exceed amount of \$500,000.

Director Fong-Sakai moved, Director Katz seconded, and the motion to approve staffs' recommendation passed unanimously.

2. Services contract with Nash Fabricators, Inc., for in-shop fabrication, repairs and machine shop services.
Staff recommendation: Authorize the General Manager to award a services contract to Nash Fabricators, Inc., for in-shop fabrication, repairs and machine shop services, for two years, with an option to extend the contract for an additional two years, for a total not-to-exceed amount of \$900,000.

Director Katz moved, Director Watkins seconded, and the motion to approve staffs' recommendation passed unanimously.

3. Construction contract with Techno Coatings, Inc., for Pipeline Structures Rehabilitation project.
Staff recommendation: Authorize the General Manager to award construction contract to Techno Coatings, Inc., in the amount of \$257,600 for the Pipeline Structures Rehabilitation project.

Director Preciado moved, Director Katz seconded, and the motion to approve staffs' recommendation passed unanimously.

4. Change Order for the Moosa Canyon Erosion Control project.
Staff recommendation: Approve a change order up to \$200,000 for costs associated with the differing site condition related to unanticipated groundwater.

Director Katz moved, Director Butkiewicz seconded, and the motion to approve staffs' recommendation passed unanimously.

II. ACTION/DISCUSSION/PRESENTATION

1. San Vicente Energy Storage Facility Task Force Update.

Director Watkins provided a report on Task Force activities. He stated FERC posted the new preliminary permit application without municipal preference and were in the 60-day public comment period, which ends August 27, 2018. He reported the Task Force met with staff on June 21, 2018 and provided an update on the CAISO proceeding. He also reported the process to gain approval from CAISO, to interconnect a project into the transmission system, had begun. As part of that process staff attended a scoping meeting with CAISO on June 18, 2018 and CAISO will provide a report in early 2019.

On June 20, 2018 staff met with Brookfield Renewable Partners L.P. to discuss financial modeling. On July 10 & 11, 2018 they met to discuss parameters of the term sheet. A follow up financial meeting was scheduled for August 7, 2018 and the next Task Force meeting was scheduled for August 13, 2018.

* Vice Chair Hilliker arrived at 2:48 p.m.

2. Construction Contract with J.F. Shea Construction, Inc. for the Pipeline 5 Relining Delivery Point to Sage Road project.
Staff recommendation: Authorize the General Manager to award a construction contract to J.F. Shea Construction, Inc. in the amount of \$25,304,375 for the Pipeline 5 Relining Delivery Point to Sage Road project.

Mr. Heu presented information on the construction contract with J.F. Shea Construction, Inc. including bid summary and staff recommendation.

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

3. Rancho Peñasquitos Pressure Control and Hydroelectric Facility Improvement project.
Staff recommendations:
 - A. Authorize the General Manager to award a contract to Cascade Consultants, LLC in the amount of \$759,690 to purchase four flow and pressure control valves for the Rancho Peñasquitos Pressure Control Facility.
 - B. Authorize the General Manager to award a contract to Cascade Consultants, LLC in the amount of \$440,093 to purchase two isolation valves for the Rancho Peñasquitos Pressure Control Facility.
 - C. Approve the Design-Build Performance Specifications to upgrade the Rancho Peñasquitos Hydroelectric Facility Equipment.

Mr. Fountain presented information on Rancho Penasquitos Pressure Control and Hydroelectric Facility Improvement project, including project location, equipment, assessments, bid summaries, schedules, and staff recommendations.

Director Smith moved, Director Bebee seconded, and the motion to approve staffs' recommendations passed unanimously.

4. Annual Aqueduct Operating Plan.

In the interest of time, the presentation was not given.

III. INFORMATION

The following information items were received and filed:

1. Advertisement for bids for Kearny Mesa headquarters roof rehabilitation.
2. Advertisement for bids for the Vallecitos Water District 11/Vista Irrigation District 12 Flow Control Facility project.

IV. CLOSED SESSION

Mr. Hattam announced that the Closed Session item would be addressed during Full Board.

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

V. ADJOURNMENT

There being no further business to come before the Engineering and Operations Committee, Chair Heinrichs adjourned the meeting at 3:01 p.m.

FORMAL BOARD OF DIRECTORS' MEETING OF JULY 26, 2018

1. **CALL TO ORDER** Chair Muir called the Formal Board of Directors' meeting to order at 3:05 p.m.
2. **SALUTE TO THE FLAG** Director Hilliker led the salute to the flag.
3. **ROLL CALL, DETERMINATION OF QUORUM**
Secretary Croucher called the roll. Directors present were Arant, Barnum, Bebee, Butkiewicz, Cate, Cherashore, Croucher, Evans, Fong-Sakai, Gallo, Guerin, Hall, Heinrichs, Hilliker, Katz, Kennedy, Madaffer, Morrison*, Muir, Murtland, Preciado, Saxod*, Scalzitti, Smith, Steiner, Watkins, Weston, and Wilson. Directors absent were Ayala, Bienes, Boyle, Hedberg(p), Hogan, Lewinger, Miller(p), Simpson, and Supervisor Roberts.

3-A **Report on proxies received.** Director Scalzitti was the proxy for Director Hedberg, and director Arant was the proxy for Director Miller.

4. **ADDITIONS TO AGENDA**
There were no additions to the agenda.
5. **APPROVAL OF MINUTES**
Director Evans moved, Director Cate seconded, and the motion carried at 90.64% of the vote to approve the minutes of the Formal Board of Directors' meeting and Special Board meeting of June 28, 2018.
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.

* Director Saxod arrived at 3:10 p.m. and Director Morrison arrived at 3:15 p.m.

8. **REPORTS BY CHAIRS**

- 8-A Chairs report: Chair Muir announced that Directors Lewinger and Saxod would be presented with an appreciation plaque for service as a Delegate on the MWD Board at the August 23, 2018 Formal Board meeting. He also thanked Directors Smith and Butkiewicz for their upcoming service as MWD Delegates.

Chair Muir stated he had received very positive feedback from Directors regarding the July 28, 2018 Formal Board Workshop. He reminded the Board that the 2nd Thursday of each month was tentatively held for Special Board Meetings and encouraged feedback from Board Members for future meeting topics.

Chair Muir reported that Citizens Water Academy classes were held in June and July for Water Authority Member Agencies and Public Agency employees. He stated that 8 member agencies, and every major regional public agency was represented. There were seventy-one members who graduated, between 2 classes. The next class would be scheduled for October in the South Bay area, and he thanked Sweetwater Authority for hosting Sessions 1 and 2. He added that nomination forms to attend the October class had been provided, or alternatively nominations could be submitted online through the Water Authority website.

In closing, Chair Muir reminded the Board that Board Officer nominations were due August 9, 2018.

- 8-B **Report by Committee Chairs:**
Water Planning Committee. Director Chershore 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 stated that no action was taken.

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.

9. **CONSENT CALENDAR**

Director Weston moved, Director Murtland seconded, and the motion carried at 91.40% of the vote to approve the Consent Calendar. Directors voting no or abstaining are listed under the item.

9- 1. **Resolution authorizing the General Manager to submit application and administer grant funds for WaterSmart: Desalination Construction Project Under the Water Infrastructure for Improvements to the Nation (WIIN) Act.**

The Board adopted Resolution No. 2018-12 establishing that: a) authorized the General Manager to sign and file for, on behalf of the Water Authority, a grant application for funding from the Department of the Interior, Bureau of Reclamation (WaterSmart: Desalination Construction Projects Under the WIIN Act) in an amount not to exceed \$10,165,000 for the Lewis Carlsbad Desalination Plant (CDP) Intake Modifications Project; b) the Water Authority comply with all applicable state and federal statutory and regulatory requirements related to any federal and state funds received; and c) authorized the General Manager or designee to negotiate and execute a funding agreement and any amendments thereof, and certify funding disbursements on behalf of the Water Authority.

9- 2. **Agreement for Water Service to the Sycuan Band of the Kumeyaay Nation.**

The Board authorized the General Manager to execute an Agreement for Water Service to the Sycuan Band of the Kumeyaay Nation.

Director Wilson recused himself.

9- 3. **Adopt a Resolution of Support for Proposition 3, the Water Supply and Water Quality**

The Board adopted Resolution No. 2018-13 endorsing Proposition 3, the Water Supply and Water Quality Act of 2018.

Director Cate Abstained.

9- 4. **Monthly Treasurer's Report on Investments and Cash Flow.**

The Board noted and filed the Treasurer's report.

- 9- 5. Consideration of the Fiscal Years 2018 and 2019 Mid-Term Budget Update.
The Board approved the recommended mid-term budget adjustments.
- 9- 6. Service contract with Co's Traffic Control, Inc. for traffic control services.
The Board authorized the General Manager to award a service contract to Co's Traffic Control Inc. to provide traffic control services for a period of two years, with an option to extend the contract for an additional two years, for a total not-to-exceed amount of \$500,000.
- 9- 7. Service Contract with Nash Fabricators, Inc. for in-shop fabrication, repair and machine shop services.
The Board authorized the General Manager to award a service contract to Nash Fabricators, Inc. to provide in-shop fabrication, repair and machine shop services for a period of one year, with an option to extend the contract for an additional three years, for a total not-to-exceed amount of \$900,000.
- 9- 8. Construction contract with Techno Coatings, Inc. for the Pipeline Structures Rehabilitation project.
The Board authorized the General Manager to award construction contract to Techno Inc. in the amount of \$257,600 for the Pipeline Structures Rehabilitation project.
- 9 -9. Change Order for the Moosa Canyon Erosion Control project.
The Board approved a change order up to \$200,000 for costs associated with the differing site condition related to unanticipated groundwater.
- 9-10. Construction contract with J.F. Shea Construction, Inc. for the Pipeline 5 Relining Delivery Point to Sage Road project.
The Board authorized the General Manager to award a construction contract to J.F. Shea Construction, Inc. in the amount of \$25,304,375 for the Pipeline 5 Relining Delivery Point to Sage Road Project.
- 9-11. Rancho Peñasquitos Pressure Control and Hydroelectric Facility Improvement project.
The Board approved the following: a) authorized the General Manager to award a contract to Cascade Consultants, LLC in the amount of \$759,690 to purchase four flow and pressure control valves for the Rancho Peñasquitos Pressure Control Facility; b) authorized the General Manager to award a contract to Cascade Consultants, LLC in the amount of \$440,093 to purchase two isolation valves for the Rancho Peñasquitos Pressure Control Facility; and c) approved the Design-Build Performance Specifications to upgrade the Rancho Peñasquitos Hydroelectric Facility equipment.

* Director Bebee left the meeting at 3:19 p.m.

10. **ACTION/DISCUSSION**

11. **SPECIAL REPORTS**

11-A GENERAL MANAGER'S REPORT – Ms. Stapleton stated the Board Chair had approved a Special Board Meeting for August 9, 2018 at 1:30 p.m. to discuss the Bay-Delta Policy.

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

11-C SANDAG REPORT – Chair Muir stated he had nothing to report.
SANDAG Subcommittees:
Borders Committee – Director Croucher reported on discussion and action taken at the recent joint meeting of the Borders Committee and Committee on Binational Regional Opportunities.
Regional Planning Committee – Director Gallo reported on discussion and action taken at the Regional Planning Committee Meeting.

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

12. **CLOSED SESSION(S)**

Mr. Hattam took the Board into Closed Session on items 12-E and 12-F at 3:20 p.m.

12-A Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
SDCWA v. Metropolitan Water District of Southern California;
San Francisco Superior Court Case Nos. CPF-10-510830; CPF-12-512466;
CPF-14-514004; CPF-16-515282; CPF-16-515391; CGC-17-563350;
California Court of Appeal (1st District) Case Nos. A146901; A148266;
A154325; California Supreme Court Case No. S243500; and Los Angeles Superior Court Case No. BS 173868

12-B Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
California Department of Water Resources v. All Persons Interested;
Sacramento Superior Court Case No. 34-2017-00215965-CU-MC-GDS;
and JCCP 4942

12-C Threat to Public Services or Facilities
Cybersecurity of Water Authority Services and Facilities
Consultation with: Director of Administrative Services, Director of Operations and Maintenance Government Code §54947(a)

- 12-D Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
San Diegans for Open Government v. SDCWA; San Diego Superior Court
Case No. 37-2017-00021082-CU-MC-CTL
- 12-E Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
Shimmick Construction Co., Inc./Obayashi Corp., joint venture v. San
Diego County Water Authority, Riverside Superior Court Case No. RIC
1609196
- 12-F Public Employee Performance Evaluation
Government Code §54957 – Title: General Manager
Conference with Labor Negotiators, Government Code §54957.6
Designated Board Representatives: Chair, Vice-Chair, Secretary
Unrepresented Employee: General Manager


Mr. Hattam brought the committee out of Closed Session at 4:34 p.m. and stated there was no reportable action.

13. **ACTION FOLLOWING CLOSED SESSION**

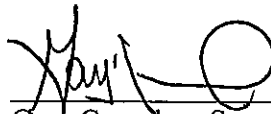
14. **OTHER COMMUNICATIONS**

15. **ADJOURNMENT**

There being no further business to come before the Board, Chair Muir adjourned the meeting at 4:35 p.m.



Mark Muir, Chair



Gary Croucher, Secretary



Melinda Nelson, Clerk of the Board