MINUTES OF THE FORMAL BOARD OF DIRECTORS' MEETING
DECEMBER 6, 2018

ENGINEERING AND OPERATIONS COMMITTEE
CALL TO ORDER / ROLL CALL

Chair Heinrichs called the Engineering and Operations Committee meeting to order at 9:01 a.m. Committee members present were Chair Heinrichs, Vice Chairs Hilliker and Miller, and Directors Bebee, Butkiewicz, Fong-Sakai, Hogan, Katz, and Watkins. Committee members absent were Directors Boyle, Morrison, Preciado, Simpson, and Smith. Also present were Directors Arant, Ayala, Cherashore, Guerin, Hall, Hedberg, Leonard, Lewinger, Madaffer, Saxod, Scalfi, and Steiner. 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 Hattan, 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 Manager Meda, 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 presented the Final Report on the 2017 and 2018 Engineering and Operations Committee Work Plan. Highlights included completion of several CIP and asset management projects, system and facility security assessments and upgrades, and the energy program.

I. CONSENT CALENDAR

1. Amendment 3 to the services contract with Baker Electric, Inc., for electrical preventative maintenance, inspection, testing, and repair services.
   
   Staff recommendation: Authorize the General Manager to approve Amendment 3 with Baker Electric, Inc., for $400,000 to provide additional electrical preventative maintenance, inspection, testing, and repair services, increasing the contract amount from $965,000 to $1,365,000.

Vice Chair Miller moved, Vice Chair Hilliker seconded, and the motion to approve staffs’ recommendation passed unanimously.
II. ACTION/DISCUSSION PRESENTATION

   
   Staff recommendation: Authorize the General Manager to award a construction contract to Kiewit Infrastructure West, Inc., in the amount of $30,400,000 for the Northern First Aqueduct Structures and Lining Rehabilitation Project.

   Mr. Reed started the presentation with background on the construction cost challenges including market conditions. Mr. Fountain continued with history, assessment, location, project schedule, construction cost estimate, bid summary, and project alternatives. Mr. Reed concluded the presentation with the construction cost analysis and reviewed the staff recommendation.

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


   Director Hogan provided a San Vicente Energy Task Force update. He reported that staff successfully executed the term sheet with Brookfield Renewable Partners. He also reported that staff continued to work on regulatory proceedings, planning for the upcoming legislation session, and was preparing for project development agreement negotiations with the developer in early 2019.

3. Oroville Dam Main Flood Control and Emergency Spillway Repair Update.

   Mr. Reed provided information regarding Oroville Spillway construction progress including a video compilation of the location, history, failure, interim measures, design, time lapse of construction, and expected completion date of Spring 2019.

III. INFORMATION

There were no Information items.

IV. CLOSED SESSION

There were no Closed Session items.

V. ADJOURNMENT

There being no further business to come before the Engineering and Operations Committee, Director Heinrichs adjourned the meeting at 9:37 a.m.

WATER PLANNING COMMITTEE

CALL TO ORDER/ROLL CALL

Chair Cherashore called the Water Planning Committee meeting to order at 10:00 a.m. Committee members present were Chair Cherashore, Vice Chairs Boyle and Evans, and
Directors Ayala, Barnum*, Bebee, Hedberg, Kennedy*, Leonard*, and Lewinger. Committee members absent were Directors Cate, Muir, Preciado, and Smith. Also present were Directors Butkievicz, Fong-Sakai, Gallo, Guerin, Hall, Heinrichs, Hilliker, Hogan, Katz, Madaffer, Miller, Saxod, Scalzitti, Steiner, and Watkins. At that time, there was not a quorum of the Committee and Director Fong-Sakai was appointed as temporary committee member per Administrative Code section 2.00.060(f). 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 Gage, Principal Water Resources Specialist Stephenson, Water Resources Specialist Schnell, and former Director of Water Resources Yamada.

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 the final report on the Water Planning Committee Work Plan was included in the Board packet. He stated that Action Item II-3 would not be presented because the California Department of Water Resources had not released the draft Plan in November as anticipated.

* Director Kennedy arrived at 10:03 a.m.

DIRECTORS’ COMMENTS
There were no Directors’ comments.

I. CONSENT CALENDAR
There were no Consent Calendar items.

II. ACTION/DISCUSSION/PRESENTATIONS
1. Resolution setting preliminary, informal terms and conditions for the Lakeside Water District’s proposed Yerba Valley Annexation.
   Staff recommendation: Adopt Resolution No. 2018-21 establishing preliminary, informal terms and conditions for the Lakeside Water District’s proposed Yerba Valley Annexation, and requesting that the Metropolitan Water District of Southern California set formal terms and conditions.

   Mr. Stephenson provided a presentation on the proposed Lakeside Water District’s Yerba Valley Annexation. He presented background information, outlined major actions required to process an annexation, and reviewed Water Authority’s annexation policies.
Director Hilliker recused himself.

* Directors Barnum and Leonard arrived at 10:11 a.m.

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

2. **Lewis Carlsbad Desalination Plant:**
   2-A **Update on Draft Regional Board Permit for Lewis Carlsbad Desalination Plant Intake.**

   2-B **Contract Amendments for Hawkins Delafiels & Wood LLP, Clean Energy Capital Securities and Louis Berger Group associated with the Lewis Carlsbad Desalination Plant Intake Modifications Project.**

   **Staff recommendations:**
   a. Authorize the General Counsel to amend the legal services agreement with Hawkins Delafiels & Wood LLP as special counsel to include new transactional legal work for the Claude “Bud” Lewis Carlsbad Desalination Plant (CDP) project intake and discharge system modifications phased implementation. This will add $318,000 to the contract, increasing the authorized cumulative amount from $180,000 to $498,000.
   b. Authorize the General Manager to amend the professional services contract with Clean Energy Capital Securities LLC to include work for the CDP project intake and discharge system modifications phased implementation. This will add $257,500 to the contract, increasing the authorized cumulative amount from $140,000 to $397,500 and extend the term from its current end date of December 31, 2018 to June 30, 2020.
   c. Authorize the General Manager to amend the professional services contract with Louis Berger Group to include work for the CDP project intake and discharge system modifications phased implementation. This will add $250,400 to the contract, increasing the authorized cumulative amount from $1,287,692 to $1,538,092 and extend the term from its current end date of December 31, 2018 to June 30, 2021.

Ms. Gage introduced the presentation topic. Mr. Yamada outlined plant intake modifications, reviewed the modification phasing schedule, and detailed current, interim and permanent operations. He also provided an overview of the draft permit before reviewing the staff recommendation.

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

The presentation was not provided.

4. Update on water supply conditions.

Ms. Schnell provided an update on Water Supply Conditions including Lake Oroville storage volume, status of Lake Oroville spillway repairs, San Luis reservoir storage volume, and upper Colorado River basin overview.

III. INFORMATION

The following Information items were received and filed:

IV. ADJOURNMENT

There being no further business to come before the Water Planning Committee, Chair Cherashore adjourned the meeting at 10:44 a.m.

ADMINISTRATIVE AND FINANCE COMMITTEE
CALL TO ORDER / ROLL CALL

Chair Saxod called the Administrative and Finance Committee meeting to order at 11:01 a.m. Committee members present were Chair Saxod, Vice Chairs Arant and Wilson, and Directors Ayala, Gallo, Guerin, Hall, Hedberg, Heinrichs, Murtland, and Watkins. Committee members absent were Directors Cherashore, Croucher, and Simpson. Also present were Directors Barnum, Bebee, Boyle, Butkiewicz, Evans, Fong-Sakai, Hilliker, Katz, Leonard, Lewinger, Madaffer, Miller, Muir, Scalzitti, Smith and Steiner. 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 Administrative Services Foster, Budget and Analysis Manager Whyte, Controller Woidzik, Rate and Debt Manager Rrossum, and Senior Management Analyst Gore. Also present was Doug Montague of Montague DeRose and Associates, Jamison Feheley of J.P. Morgan, and Lisa Greer Quateman of Polsinelli.

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 noted that Ms. Harris was not in attendance due to being honored as one of the Bond Buyer’s 2018 Trailblazing Women in Public Finance. The award was given for her outstanding commitment to the industry in public finance and includes her investment portfolio experience at the State and local level, over 25 years of debt management and public finance experience, and her industry commitment in her service with the Government Finance Officers Association, the Association of Public Treasurers, and Women in Public Finance.

Chair Saxod provided a final report on the Administrative and Finance Committee Work Plan for calendar years 2017 and 2018. She highlighted several accomplishments and directed anyone with questions to contact herself, Ms. Harris or Mr. Foster.

DIRECTORS’ COMMENTS

There were no Directors’ comments.

I. CONSENT CALENDAR

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

2. Vote Entitlement and Representation Resolution for Calendar Year 2019.
   Staff recommendation: Adopt Resolution No. 2018-22 establishing the vote and representative entitlements of each member agency effective January 1, 2019.

3. Adopt Annual Statement of Investment Policy, as amended and continue to delegate authority to the Treasurer to invest Water Authority funds for calendar year 2019.
   Staff recommendation: Adopt the Annual Statement of Investment Policy, as amended, and continue to delegate authority to the Treasurer to invest Water Authority funds for calendar year 2019.

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

II. ACTION/DISCUSSION/PRESENTATION

1. Approve the Refinancing of the Claude “Bud” Lewis Carlsbad Desalination Project Conveyance Pipeline and approve related debt management activities.
   Staff recommendations:
   a. Adopt Resolution No. 2018-23 approving the refunding of California Pollution Control Financing Authority $203,215,000 Water Furnishing Revenue Bonds, Series 2012 (San Diego County Water Authority Desalination Project Pipeline) via a negotiated sale; a Preliminary Limited Offering Memorandum, a Bond Purchase Agreement and other documents
and agreements necessary to accomplish tax exempt project refinancing through the California Pollution Control Financing Authority (CPCFA); and

b. Approve the amendment to the Legal Services Agreement with Polsinelli LLP, Bond Counsel to increase the amount by $175,000 from $344,000 for as-needed services, Pipeline Refunding bond counsel services and disclosure counsel services to $519,685.

c. Approve the amendments to the Financial Advisory Services agreements with Montague DeRose and Associates, LLC and Acacia Financial Group, Inc to increase the amount by $260,000, from $976,250 for Carlsbad Desalination debt and debt refinancing transaction fees to $1,236,250.

Mr. Denham and Mr. Montague gave a presentation on the Lewis Carlsbad Desalination Project Conveyance Pipeline Refunding that included a review of timeline, market highlights, project and credit highlights, projected refunding savings, next steps, service agreement amendments, and a review of the staff recommendations.

Directors asked questions and made recommendations. Staff provided answers.

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

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

IV. CLOSED SESSION
There were no Closed Session items.

V. ADJOURNMENT
Chair Saxod thanked staff for their hard work and responsiveness throughout the year. She also thanked Vice Chairs Arant and Wilson for their support during the last two years. There being no further business to come before the Administrative and Finance Committee, Chair Saxod adjourned the meeting at 11:22 a.m.

IMIMPORTED WATER COMMITTEE CALL TO ORDER / ROLL CALL
Chair Fong-Sakai called the Imported Water Committee meeting to order at 12:45 p.m. Committee members present were Chair Fong-Sakai, Vice Chair Kennedy, and Directors Barnum, Hogan, Katz, Leonard, Lewinger, Madaffer, Miller, Murtland, Saxod, Scalzi, Steiner, and Wilson. Committee member absent was Supervisor Roberts. Also present were Directors Arant, Bebee, Butkiewicz, Chershore, Evans, Gallo, Guerin, Hall, Hedberg.
Heinrichs, Hilliker, Muir, and Smith. 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, Colorado River Program Director Rodgers, Senior Water Resources Specialists Mendelson-Goossens and Mathews, and Principal Engineer Crutchfield.

**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 Fong-Sakai provided an update on Bay Delta. She also reported on the Imported Water Committee Work Plan for calendar years 2017 and 2018 and highlighted items from both the MWD Program and Colorado River Program.

**DIRECTORS’ COMMENTS**
There were no Directors’ comments.

**CONSENT CALENDAR.**
There were no Consent Calendar items.

**I. ACTION/DISCUSSION/PRESENTATION**

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

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

   1-B Metropolitan Water District’s Evaluation of Regional Storage Portfolio effort.

   Ms. Mendelson-Goossens briefed the board on MWD’s emergency storage requirement covering dry-years, seismic events, outage durations. Water Authority’s key concerns, and next steps.

   Staff responded to questions and comments posed by the Board.

2. **Colorado River Programs.**
   2-A Colorado River Board Representative’s report.
Director Wilson gave a brief update on the Colorado River Board meeting.


Ms. Mathews presented a video to the Board of the Salton Sea.

III. INFORMATION

IV. CLOSED SESSION

Mr. Hattam took the committee into Closed Session at 1:28 p.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, S251025; 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 J CCP 4942

3. Conference with Legal Counsel – Existing Litigation/Anticipated Litigation
   Government Code §§54956.9(d)(1) and/or (d)(4)
   Food & Water Watch and Center for Food Safety v. Metropolitan Water District of Southern California and All Persons Interested in the Matter; Los Angeles Superior Court Case No. BC 720692

Mr. Hattam brought the committee out of Closed Session at 2:28 p.m. and stated there was no reportable action.

V. ADJOURNMENT

There being no further business to come before the Imported Water Committee. Chair Fong-Sakai adjourned the meeting at 2:29 p.m.

LEGISLATION AND PUBLIC OUTREACH COMMITTEE CALL TO ORDER/ROLL CALL

Chair Guerin called the Legislation and Public Outreach Committee to order at 2:35 p.m. Committee members present were Vice Chairs Butkiewicz and Hall, and Directors Arant, Evans, Gallo, Hilliker, Madaffer, Morrison*, Muir, Scalzitti and Steiner. Committee members absent were Directors Cate, Croucher and Supervisor Roberts. Also, present were Directors
Formal Board
Agenda Item Number 5
January 24, 2019
(December 6, 2018 minutes)

Ayala, Bebee, Cherashore, Fong-Sakai, Hedberg, Heinrichs, Hogan, Katz, Leonard, Lewinger, Miller, Murtland, Saxod, Smith 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, Government Relations Manager Farrel, and Public Affairs Supervisor Lee. 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 presented to the Board the final report on the Legislation and Public Outreach Committee work plan which included highlights of the 2017 and 2018 calendar years. She reported that the committee would start the process of setting the LPO work plan for calendar years 2019 and 2020, and would bring it to the Board in February for review and comment.

DIRECTORS’ COMMENTS

There were no Directors’ comments.

I. CONSENT CALENDAR

1. **Water Conservation Authority Amended and Restated Joint Powers Agreement.**
   
   **Staff recommendation:** Approve the Amended and Restated Joint Powers Agreement creating the Water Conservation Authority. Authorize the Water Authority’s representative to the Water Conservation Authority to sign the final agreement on behalf of the Water Authority Board of Directors.

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

II. ACTION/DISCUSSION/PRESENTATION

1. **Legislative issues.**
   

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

*Director Morrison arrived at 2:41 p.m.*
1-B Sacramento Report.

Mr. Farrel provided a Sacramento report which included an update on status of Water Authority Sponsored bills and other key measures.

1-C Proposed 2019 Legislative Policy Guidelines
Staff recommendation: Adopt the proposed 2019 Legislative Policy Guidelines.

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

1-D Water Authority Sponsorship of Legislation in the 2019 State Legislative Session.
Staff recommendation: Sponsor or co-sponsor the following legislative proposals:

- Legislative Proposal #1 to seek grant eligibility for public-private partnership projects, like the Carlsbad desalination intake facility.
- Legislative Proposal #2 to create opportunities for bulk energy storage projects to advance as transmission assets to improve grid reliability.
- Legislative Proposal #3 to provide a path of reciprocity for military veterans to apply their skills and experiences toward water and wastewater system operation certifications.

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


Director Evans reported that the Water Conservation Garden hired Jennifer Pillsbury as their new executive director and provided an update on upcoming events at the Garden.


Mr. Lee presented the new 2018 Annual Report to the Board including some highlights and navigation of the online report.

III. INFORMATION
The following Information items were 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 3:15 p.m.

FORMAL BOARD OF DIRECTORS’ MEETING OF DECEMBER 6, 2018

1. CALL TO ORDER Chair Madaffer called the Formal Board of Directors’ meeting to order at 3:20 p.m.

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

3. ROLL CALL, DETERMINATION OF QUORUM
Secretary Guerin called the roll. Directors present were Arant, Ayala, Bebee, Buklewicz, Cherashore, Evans, Fong-Sakai, Gallo, Guerin, Hall, Hedberg, Heinrichs, Hilliker, Hogan, Katz, Leonard, Lewinger, Madaffer, Miller, Morrison, Muir, Murtland, Saxod, Scalzitti, Smith, Steiner, and Wilson. Directors absent were Barnum, Boyle, Cate, Croucher, Kennedy, Preciado, Simpson, Watkins and Supervisor Roberts.

3-A Report on proxies received. No proxies were received.

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

5. APPROVAL OF MINUTES
Director Gallo moved. Director Evans seconded, and the motion carried at 83.97% of the vote to approve the minutes of the Formal Board of Directors’ meeting of October 25, 2018. Special Board meeting of November 8, 2018, and Special Engineering and Operations Committee meeting of November 8, 2018.

6. OPPORTUNITY FOR MEMBERS OF THE PUBLIC WHO WISH TO ADDRESS THE BOARD ON MATTERS WITHIN THE BOARD’S JURISDICTION
Mr. Desai of National Parks Conservation Association spoke briefly regarding the Cadiz Project at Joshua Tree.

7. PRESENTATIONS & PUBLIC HEARINGS
7-A Recognition of Sabrina Garner, Administrative Assistant, Employee of the 1st Quarter.

Chair Madaffer introduced Ms. Garner and congratulated her on being named the employee of the quarter.
8. REPORTS BY CHAIRS

8-A Chairs report: Chair Madaffer reported his attendance at the 2018 ACWA Fall Conference on November 27-30 in San Diego.

Chair Madaffer announced that Consent Item 9-8 would be pulled for further discussion.

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.
- Administrative and Finance Committee: Director Saxod reviewed the meeting and the action taken.
- Imported Water Committee: Director Fong-Sakai reviewed the meeting and stated that no action was taken.
- Legislation and Public Outreach Committee: Director Guerin reviewed the meeting and the action taken.

9. CONSENT CALENDAR

Director Muir moved. Director Cherashore seconded, and the motion carried at 83.97% of the vote to approve the Consent Calendar. Directors voting no, or abstaining are listed under the item.

9-1. Amendment 3 to the services contract with Baker Electric, Inc., for electrical preventative maintenance, inspection, testing, and repair services. The Board authorized the General Manager to approve Amendment 3 with Baker Electric, Inc., for $400,000 to provide additional electrical preventative maintenance, inspection, testing, and repair services, increasing the contract amount from $965,000 to $1,365,000.

9-2. Construction contract with Kiewit Infrastructure West, Inc., for the Northern First Aqueduct. The Board authorized the General Manager to award a construction contract to Kiewit Infrastructure West, Inc., in the amount of $30,400,000 for the Northern First Aqueduct Structures and Lining Rehabilitation Project.

9-3. Resolution setting preliminary, informal terms and conditions for the Lakeside Water District’s proposed Yerba Valley Annexation. The Board adopted Resolution No. 2018-21 establishing preliminary, informal terms and conditions for the Lakeside Water District’s proposed Yerba Valley Annexation and requesting that the Metropolitan Water District of Southern California set formal terms and conditions.

Director Hilliker recused on item 9-3. The motion carried at 83.23%
9- 4. **Contract Amendments for Hawkins Delafield & Wood LLP, Clean Energy Capital Securities and Louis Berger Group associated with the Lewis Carlsbad Desalination Plant Intake Modifications Project.**

   a. The Board authorized the General Counsel to amend the legal services agreement with Hawkins Delafield & Wood LLP as special counsel to include new transactional legal work for the Claude “Bud” Lewis Carlsbad Desalination Plant (CDP) project intake and discharge system modifications phased implementation. This will add $318,000 to the contract, increasing the authorized cumulative amount from $180,000 to $498,000.

   b. The Board authorized the General Manager to amend the professional services contract with Clean Energy Capital Securities LLC to include work for the CDP project intake and discharge system modifications phased implementation. This will add $257,500 to the contract, increasing the authorized cumulative amount from $140,000 to $397,500 and extend the term from its current end date of December 31, 2018 to June 30, 2020.

   c. The Board authorized the General Manager to amend the professional services contract with Louis Berger Group to include work for the CDP project intake and discharge system modifications phased implementation. This will add $250,400 to the contract, increasing the authorized cumulative amount from $1,287,692 to $1,538,092 and extend the term from its current end date of December 31, 2018 to June 30, 2021.

9- 5. **Monthly Treasurer’s Report on Investments and Cash Flow.**
Note and file the Treasurer’s report.

9- 6. **Vote Entitlement and Representation Resolution for Calendar Year 2019.**
The Board adopted Resolution No. 2018-22 establishing the vote and representative entitlements of each member agency effective January 1, 2019.

9- 7. **Adopt Annual Statement of Investment Policy, as amended, and continue to delegate authority to the Treasurer to invest Water Authority funds for calendar year 2019.**
The Board adopted the Annual Statement of Investment Policy, as amended, and continue to delegate authority to the Treasurer to invest Water Authority funds for calendar year 2019.

9- 8. **Approve the Refinancing of the Claude “Bud” Lewis Carlsbad Desalination Project Conveyance Pipeline and approve related debt management activities.**

Item was pulled from the Consent Calendar for discussion.
9-9. **Water Conservation Authority Amended and Restated Joint Powers Agreement.**
The Board approved the Amended and Restated Joint Powers Agreement creating the Water Conservation Authority. Authorize the Water Authority's representative to the Water Conservation Authority to sign the final agreement on behalf of the Water Authority Board of Directors.

9-10. **Proposed 2019 Legislative Policy Guidelines.**
The Board adopted the proposed 2019 Legislative Policy Guidelines.

9-11. **Water Authority Sponsorship of Legislation in the 2019 State Legislative Session.**
The Board approved to sponsor or co-sponsor the following legislative proposals:

- Legislative Proposal #1 to seek grant eligibility for public-private partnership projects, like the Carlsbad desalination intake facility.

- Legislative Proposal #2 to create opportunities for bulk energy storage projects to advance as transmission assets to improve grid reliability.

- Legislative Proposal #3 to provide a path of reciprocity for military veterans to apply their skills and experiences toward water and wastewater system operation certifications.

Items removed from the Consent Calendar.

9-8. **Approve the Refinancing of the Claude “Bud” Lewis Carlsbad Desalination Project Conveyance Pipeline and approve related debt management activities**

a. The Board adopted Resolution No. 2018-23 approving the refunding of California Pollution Control Financing Authority $203,215,000 Water Furnishing Revenue Bonds, Series 2012 (San Diego County Water Authority Desalination Project Pipeline) via a negotiated sale; a Preliminary Limited Offering Memorandum, a Bond Purchase Agreement and other documents and agreements necessary to accomplish tax exempt project refinancing through the California Pollution Control Financing Authority (CPCFA); and

b. The Board approved the amendment to the Legal Services Agreement with Polsinelli LLP. Bond Counsel to increase the amount by $175,000 from $344,000 for as-needed services. Pipeline Refunding bond counsel services and disclosure counsel services to $519,685.

c. The Board approved the amendments to the Financial Advisory Services agreements with Montague DeRose and Associates, LLC and Acacia Financial Group, Inc to increase the amount by $260,000, from $976,250 for Carlsbad Desalination debt and debt refinancing transaction fees to $1,236,250.
Item 9-8. was pulled from the Consent Calendar for further discussion. Chair Madaffer asked questions for the record and Mr. Denham provided answers as follows.

Chair Madaffer: Have you read the preliminary offer statement and official statement in their entirety? Mr. Denham: Yes, we did a page by page review alongside our Financial Advisor, Bond Counsel, and Poseidon. Chair Madaffer: Is there any information in the POS or OS that you feel is perhaps inaccurate or otherwise misleading? Mr. Denham: No. Chair Madaffer: Has anybody expressed to you any concerns or information in the POS or OS that might be inaccurate or misleading or is there some information that could be in there that might have been excluded? Mr. Denham: No. Chair Madaffer: Is there anything that this Board should know about the POS or OS and representations contained in it before we vote? Mr. Denham: No, there is not.

Director Lewinger moved, Director Muir seconded, and the motion carried at 83.97% of the vote to approve the refinancing of the Claude “Bud” Lewis Carlsbad Desalination Project Conveyance Pipeline and related debt management activities.

10. ACTION/DISCUSSION

10-A Audit Committee Annual Report.
Audit Committee recommendations:
   a. Accept and file the Audit Committee Annual Report pursuant to the Administrative Code, Section 2.00.066.

Audit Committee Chair Chersoshore provided an overview of the Annual Report and Audit Committee recommendations.

Director Arant moved, Director Katz seconded, and the motion carried at 83.97% of the vote to approve the Audit Committee recommendations.

10-B Defer Biennial Review of Representatives to the Metropolitan Water District of Southern California to the January 24, 2019 Board meeting.

Director Guerin moved, Director Miller seconded, and the motion carried at 83.97% of the vote to approve deferral of the biennial review of the representatives to the Metropolitan Water District of Southern California to the January 24, 2019 meeting.

11. SPECIAL REPORTS

11-A GENERAL MANAGER’S REPORT – Ms. Stapleton requested that Board Members complete an information card with current contact details so that staff could update records. She also announced that nominations for the next Citizens Water Academy class were due February 4, 2019 and
applications were due February 11, 2019.

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

11-C SANDAG REPORT – Director Muir reported on the recent SANDAG meeting.
SANDAG Subcommittees:
Borders Committee – Vice Chair Croucher was absent.
Regional Planning Committee – Director Gallo reported on the recent SANDAG Regional Planning Committee meeting.

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

12. CLOSED SESSION(S)
Mr. Hattam stated there was no need for Closed Session.

12-A Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
SDCWA v. Metropolitan Water District of Southern California;
San Francisco Superior Court Case Nos. CPF-10-510830; CPF-12-
512466; CPF-14-514004; CPF-16-515282; CPF-16-515391; CGC-17-
563550; CPF-18-516389; California Court of Appeal (1st District) Case
Nos. A146901; A148266; A154325; California Supreme Court Case Nos.
S243500; and S251025

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 Conference with Legal Counsel – Existing Litigation
Government Code §§54956.9(d)(1)
Food & Water Watch and Center for Food Safety v. Metropolitan Water
District of Southern California and All Persons Interested in the Matter;
Los Angeles Superior Court Case No. BC 720692

13. ACTION FOLLOWING CLOSED SESSION

14. OTHER COMMUNICATIONS
15. **ADJOURNMENT**
There being no further business to come before the Board, Chair Madaffer adjourned the meeting at 3:50 p.m.

Jim Madaffer, Chair

Christy Guerin, Secretary

Melinda Nelson, Clerk of the Board