MINUTES OF THE FORMAL BOARD OF DIRECTORS’ MEETING
JUNE 27, 2019

ADMINISTRATIVE AND FINANCE COMMITTEE
CALL TO ORDER / ROLL CALL
Chair Hilliker called the Administrative and Finance Committee meeting to order at 9:01 a.m. Committee members present were Chair Hilliker, Vice Chair Ayala, and Directors Boyle, Cate, Evans*, Saxod, Smith, Udrys, Watkins, and Wilson. Committee members absent were Vice Chair Leonard, and Directors Croucher, Katz, Murtland, and Simpson. Also present were Directors Arant, Barnum, Bebee, Butkiewicz, Cherashore, Fong-Sakai, Guerin, Hall, Hedberg, Heinrichs, Hogan, Masson, Miller, Mosca, Scalzitti, 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 Acting General Manager Kerl, General Counsel Hattam, Assistant General Manager Denham, Director of Finance/Treasurer Harris, Director of Administrative Services Foster, Rate and Debt Manager Rossum, Budget and Treasury Manager Whyte, Controller Woidzik, Acting Special Projects Manager Spaniol, Administrative Services Manager Troche, and Richard Bolanos, Partner of Liebert Cassidy Whitmore.

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 Hilliker informed attendees that later that morning the California Office of Emergency Services would conduct a test of its wireless emergency alert system across the San Diego County area. The test would include sending a test message with a loud tone to every mobile telephone in the County.

Chair Hilliker announced the kick-off of the Water Authority’s 75th anniversary celebration would take place throughout the day. The celebration would commemorate the 75 years the agency has been delivering a safe and reliable water supply to the San Diego region and would include an official commemoration and guest speakers during the formal Board meeting, followed by an unveiling of a newly installed lobby display and brief reception.

DIRECTORS’ COMMENTS
There were no Directors’ comments.
I. CONSENT CALENDAR

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

   Staff recommendation: Authorize the General Manager to purchase property insurance from Swiss Reinsurance Company Ltd in the amount of $208,086, liability insurance from Allied World Insurance Company – CalMutuals JPRIMA in the amount of $345,697, and workers’ compensation insurance from Zenith Insurance Company – CalMutuals JPRIMA in the amount of $274,014 for a total amount of $827,797.

* Director Evans arrived at 9:11 a.m.

Director Saxod moved the approval of items 1 and 2 and requested item 3 be considered separately based on the dollar amount of the item.

Director Watkins seconded and the motion to approve staffs’ recommendations on items 1 and 2 of the Consent Calendar. The motion passed unanimously.

3. Approve amendments to the consolidated Memorandum of Understanding with the represented employees, approve amendments to the compensation plan for represented and unrepresented employees, and approve corresponding Classification and Salary Schedules.
   Staff recommendation: Adopt Resolution No. 2019-12, a resolution of the Board of Directors of the San Diego County Water Authority approving amendments to and extension of the consolidated memorandum of understanding with the Teamsters Local 911 Union representing the technical/support, professional/administrative, and managerial/supervisory bargaining groups; approving compensation plan adjustments for executive, senior management, and confidential employees; and approving classification and salary schedules for the period from July 1, 2019 through June 30, 2021.

Director Cate requested a presentation on the item.

Ms. Spaniol provided a presentation on behalf of Ms. Kerl on item 3. The presentation included an overview of the ratified Tentative Agreement with represented employees, proposed compensation plans for unrepresented employees, and fiscal impact. Ms. Spaniol stated a compensation study for both represented and unrepresented employees would take place in calendar year 2020. She stated the Board held three closed sessions on the item at prior Board meetings and that Mr. Bolanos, the Water Authority’s negotiator, was present to answer any questions.
Director Hall asked for an annual average of the CPI in comparison to the CPI as calculated in the Tentative Agreement. Ms. Kerl replied that the information would be provided.

Vice Chair Ayala moved, Director Saxod seconded, to approve staffs’ recommendation on item 3 of the Consent Calendar. The motion passed unanimously.

II. ACTION/DISCUSSION/PRESENTATION
   Staff recommendation: Approve adoption of Resolution No. 2019-13, a Resolution of the Board of Directors of the San Diego County Water Authority approving the General Manager’s Recommended Budget for Fiscal Years 2020 and 2021, for operations and capital improvements and appropriating $1,687,565,781 consistent with the approved budget.

Ms. Kerl provided a presentation that included a review of the budget development process, factors impacting the budget, sources of funds, and a cost breakdown of all budget categories within the total budget.

Director Cate asked questions and Ms. Harris provided answers.

Ms. Harris stated an update of the Water Authority’s Long-Term Financing Plan would begin later this year.

Director Cate moved staffs’ recommendation with the addition of the following provisions:
   A. Reconstitute the Fiscal Sustainability Task Force (FSTF) to review the following, including but not limited to:
      1. All of the Member Agency Managers’ recommendations previously made by the FSTF
      2. CIP “paygo ramp up” policy and overall funding policy
      3. Projected future fixed rate charges, including Infrastructure Access Charge
      4. Future funding and use of Rate Stabilization Fund
   B. The FSTF produce results and recommendations prior to the review of the FY2021 Budget.
   C. Review of the FY2021 Budget (Budget Workshops) to commence in May 2020.

Director Steiner asked questions related to the cost of service study and the Infrastructure Access Charge. Ms. Kerl provided answers.

Director Arant supported the request to reconstitute the FSTS.

Director Wilson asked questions related to the Rate Stabilization Fund. Mr. Denham stated more information on the RSF would be addressed in the following presentation.
Directors Guerin and Steiner requested that the Regional Conveyance Study, including associated cost information, be provided to the Board for review and input once the Study became available.

Director Cate moved, Director Watkins seconded, and the motion to approve staffs’ recommendation, as amended by Director Cate, passed unanimously.

2. **Adopt the Water Authority’s Rates and Charges for Calendar Year 2020.**

   **Staff recommendations:**
   a. Conduct the Public Hearing;
   b. Adopt Ordinance No. 2019-02 an ordinance of the Board of Directors of the San Diego County Water Authority setting the rates and charges for the delivery and supply of water, use of facilities, and provision of services;
   c. Adopt Resolution No. 2019-14 a resolution of the Board of Directors of the San Diego County Water Authority continuing the Standby Availability Charge;
   d. Adopt Ordinance No. 2019-03 an ordinance of the Board of Directors of the San Diego County Water Authority amending and restating the System Capacity and Water Treatment Capacity Charges imposed by the Water Authority pursuant to Section 5.9 of the Water Authority Action; and
   e. Find the actions exempt from CEQA pursuant to Public Resources Code §21080(b)(8) and authorize the General Manager to file a notice of exemption.

Chair Hilliker opened the Public Hearing at 9:31 a.m.

Ms. Harris and Mr. Rossum provided a presentation on the item. The presentation included calendar year 2020 rate and charge drivers; historical and forecasted water sales; MWD rates and charges; ramp-up of Imperial Irrigation District deliveries; recommended increases to the Infrastructure Access Charge; recommended calendar year 2020 rates and fixed charges; cost of water breakdown; untreated and treated rates; and projected Rate Stabilization Fund utilization.

Directors Cate, Wilson, Steiner, and Bebee made comments and asked questions related to the Rate Stabilization Fund methodology, Infrastructure Access Charge, and fixed cost allocations. Mr. Rossum provided answers.

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

Chair Hilliker closed the Public Hearing at 9:52 a.m.

Director Cate moved, Director Evans 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
There being no further business to come before the Administrative and Finance Committee, Chair Hilliker adjourned the meeting at 9:54 a.m.

ENGINEERING AND OPERATIONS COMMITTEE
CALL TO ORDER / ROLL CALL
Chair Miller called the Engineering and Operations Committee meeting to order at 10:00 a.m. Committee members present were Chair Miller, Vice Chairs Fong-Sakai and Watkins, and Directors Arant, Bebee, Hedberg, Heinrichs, Mosca, Scalzitti, Smith, Steiner, and Udrys. Committee members absent were Directors Murtland, Preciado, and Simpson. Also present were Directors Barnum, Boyle, Butkiewicz, Cate, Croucher, Guerin, Hall, Hilliker, Hogan, Madaffer, Masson, Kennedy, Saxod, 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 Acting General Manager Kerl, General Counsel Hattam, Assistant General Manager Denham, Director of Operations and Maintenance Fisher, Director of Engineering Reed, Deputy Director of Engineering Bousquet, and Operations and Maintenance Managers Castaing and Coghill.

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 Miller invited the Board to attend the Engineering and Operations Committee tour on September 12, 2019. The tour would visit two projects in construction, and one project in operation. The projects in construction include the Northern First Aqueduct Rehabilitation Project, and the Vallecitos Water District 11/Vista Irrigation District 12 Flow Control Facility Project, and the project in operation would be the Lake Hodges Pumped Storage Facility. He
stated the tour would cover most of the day and lunch would be provided. Additional information and sign-up sheets were provided to the Board.

Chair Miller announced the Water Authority had received a letter from environmental organizations concerning nesting grebe’s at Lake Hodges. Nests had been impacted while lowering lake levels to capture local runoff, and in response to concerns raised by Division of Safety of Dams on the condition of the Lake Hodges Dam. The Water Authority responded immediately and coordinated with SDG&E to temporarily adjust pump storage operation and minimize lake fluctuations. The City of San Diego, reservoir owner and operator, acted quickly to coordinate operations and worked with environmental organizations to monitor status of the grebe’s nests and hatchlings. As of June 14, 2019, 163 pairs of grebes were observed to successfully hatch one or more chicks. The lake needs to be lowered an additional three feet to reach the restricted level of 295 feet by August 1, 2019. The effort would be coordinated to limit impacts on nesting birds, while maintaining a safe and reliable water supply from Lake Hodges.

I. CONSENT CALENDAR
   1. Amendment to the professional services contract with Diakont Advanced Technologies, Inc., to increase the limit by $288,049 to a total amount of $768,049 for pipeline condition assessment of the First Aqueduct.
      Staff recommendation: Authorize the General Manager to execute Amendment 1 to the professional services contract with Diakont Advanced Technologies, Inc., in the amount of $288,049, increasing the authorized cumulative contract amount from $480,000 to $768,049.

      Director Smith moved, Director Watkins seconded, and the motion to approve staffs’ recommendation passed unanimously.

II. ACTION/DISCUSSION/PRESENTATION

      Director Heinrichs provided an update on the San Vicente Project Negotiations Work Group. He reported that work group met on June 13, 2019. The City of San Diego and Water Authority project team provided briefings on the Phase 4 Amendment with the City for continued cost sharing, status of the CAISO Interconnection Application, and an outreach plan. The team’s focus over the following months would be legislative activities.

    2. Energy Program Update.
       2A. Energy Program Overview.

      Mr. Bousquet presented an update on the Energy Program. He began with history on the Energy Program beginning in 2013 to present day, and changes since program implementation. He continued with the proposed 2019 Energy Management Policy. The proposed policy focused on six areas: energy supplies, existing system operations, energy generation and storage, energy
efficient equipment and features, collaborative relationships, and government relations. He concluded with a review of future energy program activities.


Director Steiner moved, Director Hedberg seconded, and the motion to approve staffs’ recommendation passed unanimously, with the addition of language to include environmental benefits.

Mr. Bousquet continued the presentation with information on the San Vicente Energy Storage Facility – Cost Sharing Agreement with the City of San Diego. He reviewed Phase 4 scope of work, and current budget status. He concluded with a recommendation to approve item 2C.

2C. San Vicente Energy Storage Facility – Cost-Sharing Agreement with the City of San Diego.

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


Mr. Castaing presented information on the Aqueduct Operating Plan. He reviewed six major focus areas of the Annual Aqueduct Operation Plan: water supply/conveyance, aqueduct shutdowns, member agency shutdowns, energy/production consumption, and asset management activities. Mr. Castaing concluded the presentation with the schedule of the FY2021 Annual Aqueduct Operation Plan.

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, Chair Miller adjourned the meeting at 10:53 a.m.

LEGISLATION AND PUBLIC OUTREACH COMMITTEE
CALL TO ORDER/ROLL CALL
Chair Butkiewicz called the Legislation and Public Outreach Committee to order at 11:03 a.m. Committee members present were Chair Butkiewicz, Vice Chair Hall, and Directors Cherashore*, Croucher, Guerin, Hilliker, Kennedy, Madaffer, Masson, Miller, Mosca, and Steiner. Committee members absent were Vice Chair Katz, Director Leonard, and Supervisor
Desmond. Also present were Directors Arant, Barnum, Bebee, Boyle, Cate, Evans, Fong-Sakai, Hedberg, Heinrichs, Hogan, Saxod, Scalzitti, Udrys, 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 Acting General Manager Kerl, General Counsel Hattam, Assistant General Manager Denham, Director of Public Outreach and Conservation Vedder, and Government Relations Manager Farrel. 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 Butkiewicz informed the Board of the July 15, 2019 Legislative Roundtable event with State Senator Brian Jones at the Water Authority headquarters.

**DIRECTORS’ COMMENTS**

There were no Directors’ comments.

**I. CONSENT CALENDAR**

1. **Adopt positions on various state bills.**
   
   **Staff recommendations:**
   
   1-A Adopt a position of Oppose Unless Amended on AB 402 (Quirk), relating to funding regulatory oversight of small public drinking water systems.
   
   1-B Adopt a position of Support on AB 638 (Gray), relating to climate change vulnerabilities for water storage.
   
   1-C Adopt a position of Support on AB 1657 (E. Garcia), relating to creation of an Office of the Salton Sea within the California Natural Resources Agency.
   
   1-D Adopt a position of Support on the Drought Resiliency and Water Supply Infrastructure Act (Feinstein), relating to federal funding authorizations for water-related projects.

   Director Steiner moved, Director Mosca seconded, and the motion to approve staffs’ recommendations passed unanimously.

* Director Cherashore arrived at 11:11 a.m.*
II. ACTION/DISCUSION/PRESENTATION

1. Legislative issues.

   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 status of Water Authority Sponsored bills, the State Budget, and other key measures.

2. Quarterly Water Conservation Garden report.

   Director Evans reported on upcoming events at the Garden and provided an update on construction of a new classroom building.

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 Butkiewicz adjourned the meeting at 11:30 a.m.

IMPORTED WATER COMMITTEE

CALL TO ORDER / ROLL CALL

Vice Chair Barnum called the Imported Water Committee meeting to order at 1:00 p.m. Committee members present were Vice Chairs Barnum and Cherashore, and Directors Evans, Fong-Sakai, Guerin, Hall, Hogan, Madaffer, Masson, Preciado, Saxod, and Scalzitti. Committee members absent were Chair Lewinger, and Director Morrison. Also present were Directors Arant, Ayala, Bebee, Boyle, Butkiewicz, Cate, Croucher, Hedberg, Heinrichs, Hilliker, Kennedy, Miller, Mosca, Smith, Steiner, Udrys, Watkins, Wilson, Supervisor Desmond, and MWD Delegate Goldberg. 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 Acting General Manager Kerl, General Counsel Hattam, Assistant General Manager Denham, MWD Program Director Chen, and Colorado River Program Director Rodgers.
ADDITIONS TO AGENDA
Vice Chair Barnum announced the Closed Session items would be covered first.

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

IV. CLOSED SESSION
Mr. Hattam took the committee into Closed Session at 1:05 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; CPF-18-516389; California Court of Appeal (1st District) Case Nos. A146901; A148266; A154325; California Supreme Court Nos. S243500; and S251025.

2. 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; California Court of Appeal (2nd District) Case No. B297553.

Mr. Hattam brought the committee out of Closed Session at 2:48 p.m. and stated the Imported Water Committee recommended the approval of two-year contracts to be signed by the General Counsel as follows:

- Keker Van Nest & Peters: $3,000,000
- Brownstein Hyatt Farber Schreck: $3,698,984
- Gordon Hess and Associates, Inc.: $120,000
- Water Resource Consultants, Inc.: $120,000

CHAIR’S REPORT
Vice Chair Barnum announced that Director Madaffer would serve as the new Colorado River Board representative and thanked Director Wilson for his service as the prior representative.

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.

   Due to time constraints, Vice Chair Barnum requested the Board refer to the written report in the Board packet.

   1-B Metropolitan Water District’s Emergency Storage update.

   Due to time constraints, Vice Chair Barnum announced Item II-1-B would be presented at the July 25, 2019 Board meeting.

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

   Mr. Denham thanked Director Wilson for serving as the Colorado River Board representative.

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, Vice Chair Barnum adjourned the meeting at 2:50 p.m.

WATER PLANNING AND ENVIRONMENTAL COMMITTEE

CALL TO ORDER/ROLL CALL

   The Water Planning and Environmental Committee meeting was cancelled.

FORMAL BOARD OF DIRECTORS’ MEETING OF JUNE 27, 2019

1. CALL TO ORDER Chair Madaffer called the Formal Board of Directors’ meeting to order at 3:03 p.m.

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

3. ROLL CALL, DETERMINATION OF QUORUM

   Secretary Guerin called the roll. Directors present were Arant, Ayala, Barnum, Bebee, Boyle, Butkiewicz, Cate, Cherashore, Croucher, Evans, Fong-Sakai, Guerin, Hall, Hedberg, Hilliker, Hogan, Kennedy, Madaffer, Masson, Miller, Morrison, Mosca, Preciado, Saxod, Scalzitti, Smith, Steiner, Udrys, Watkins, Wilson, and Supervisor Desmond. Directors absent were Heinrichs, Katz, Leonard, Lewinger(p), Murtland(p), and Simpson.
3-A **Report on proxies received.** Director Arant was the proxy for Director Murtland, and Director Hall was the proxy for Director Lewinger.

Due to time constraints Chair Madaffer took the agenda out of order and began with item 7-D.

### 7. PRESENTATIONS & PUBLIC HEARINGS

#### 7-D 75th Anniversary Recognition.

Chair Madaffer welcomed everyone and spoke briefly on the agenda for the 75th Anniversary of the San Diego County Water Authority and the celebration to follow the Board Meeting. He provided a brief review of the history of the organization and accomplishments achieved over the 75 years since formation. Chair Madaffer then handed over to Vice Chair Croucher to introduce guest speakers.

Vice Chair Croucher spoke briefly on the successful partnerships of the Water Authority, who work collaboratively to benefit the region. He introduced various special guest speakers to the Board, who each presented Proclamations and Commendations acknowledging contributions of the San Diego County Water Authority to the region over the past 75 years. Guest speakers included Metropolitan Water District Chair Gloria Gray, Imperial Irrigation District Board President Erik Ortega, San Diego Regional Chambers of Commerce President/CEO and Former San Diego Mayor Jerry Sanders, San Diego Regional Economic Development Corporation President/CEO Mark Cafferty, and San Diego County Farm Bureau Executive Director Eric Larson. Vice Chair Croucher thanked everyone who attended and spoke, and all partners for continued support and dedication to provide a safe and reliable water supply to the region. He then handed over to Secretary Guerin to introduce the final speakers.

Secretary Guerin introduced Supervisor Desmond who presented a proclamation on behalf of The San Diego County Board of Supervisors, and Field Representative Antonio Martinez who presented a joint proclamation on behalf of the Office of Congressman Juan Vargas and United States House of Representatives. She stated that several elected officials who wished to attend were not present due to legislative scheduling conflicts, including U.S. Senator Dianne Feinstein, and Secretary Guerin read a letter sent by her office.

Secretary Guerin spoke briefly on proclamations received by the Water Authority commemorating the 75th Anniversary from various agencies including the San Diego Delegation of the California Legislature, and Cities of San Diego, Carlsbad, Oceanside, Del Mar, El Cajon, Escondido, Encinitas, La Mesa, Lemon Grove, National City, Poway, Santee, San Marcos, Solana Beach, and Vista. She thanked all elected officials, speakers, and staff responsible for all the proclamations presented. She announced that a display would be set-up in the lobby to view the proclamations.
Chair Madaffer stated that he had one public speaker on the item and introduced Mr. Charlie Wilson of the San Diego Water Coalition.

Chair Madaffer announced the distribution of a challenge coin commemorating the 75th Anniversary of the Water Authority to everyone present at the meeting.

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

5. **APPROVAL OF MINUTES**
   Director Ayala moved, Director Barnum seconded, and the motion carried at 97.48% of the vote to approve the minutes of the Formal Board of Directors’ meeting of May 23, 2019.

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 Statement regarding De-Annexation Issue by Jack Bebee, General Manager, Fallbrook Public Utility District.

   Director Bebee spoke briefly on the de-annexation of Fallbrook Public Utilities District and Rainbow Metropolitan Water District and encouraged Board Members with questions to contact him.

   7-B Re-Appointment of Directors.
   Re-Appointment of Director Kathleen Coates Hedberg representing Helix Water District. Term ending July 15, 2025.
   Re-Appointment of Director Joel Scalzitti representing Helix Water District. Term ending August 18, 2025.

   Chair Madaffer announced the re-appointment of Directors Hedberg and Scalzitti, representing Helix Water District.

   7-C Recognition of Priscilla Tam, Accounting Technician, Employee of the 3rd Quarter.

   Chair Madaffer and Acting General Manager Kerl introduced Ms. Tam and congratulated her on being named the employee of the quarter.
8. REPORTS BY CHAIRS

8-A Chairs report: Chair Madaffer stated that invitations were sent to the Board of Directors to attend a tour and lunch at the Scripps Institute of Oceanography. The event would be attended by various special guests including California Secretary for Natural Resources Wade Crowfoot, Deputy Secretary Thomas Gibson, State Agriculture Secretary Karen Ross, and The Governor’s Water Portfolio Program Director Nancy Vogel. He encouraged all Directors to attend the event.

8-B Report by Committee Chairs:
- Administrative and Finance Committee. Director Hilliker reviewed the meeting and the action taken.
- Engineering and Operations Committee. Director Miller reviewed the meeting and the action taken.
- Legislation and Public Outreach Committee. Director Butkiewicz reviewed the meeting and the action taken.
- Imported Water Committee. Director Barnum reviewed the meeting and the action taken.
- Water Planning and Environmental Committee. The meeting was continued to July 25, 2019.

9. CONSENT CALENDAR

Director Mosca moved, Director Cherashore seconded, and the motion carried at 97.48% of the vote to approve the Consent Calendar. Directors voting no, or abstaining are listed under the item.

The Board noted and filed the Treasurer’s report.

The Board authorized the General Manager to purchase property insurance from Swiss Reinsurance Company Ltd in the amount of $208,086, liability insurance from Allied World Assurance Company – CalMutuals JPRIMA in the amount of $345,697, and workers’ compensation insurance from Zenith Insurance Company – CalMutuals JPRIMA in the amount of $274,014 for a total amount of $827,797.

9-3. Approve amendments to the consolidated Memorandum of Understanding with the represented employees, approve amendments to the compensation plan for represented and unrepresented employees, and approve corresponding Classification and Salary Schedules.
The Board adopted Resolution No. 2019-12, a resolution of the Board of Directors of the San Diego County Water Authority approving amendments to and extension of the consolidated memorandum of understanding with the Teamsters Local 911 Union representing the technical/support, professional/administrative, and managerial/supervisory bargaining groups; approving compensation plan adjustments
for executive, senior management, and confidential employees; and approving
classification and salary schedules for the period from July 1, 2019 through June 30,
2021.

9-4. **General Manager’s Recommended Budget for Fiscal Years 2020 and 2021.**
The Board adopted Resolution No. 2019-13, approving the General Manager’s
Recommended Budget for Fiscal Years 2020 and 2021, for operations and capital
improvements and appropriating $1,687,565.781 consistent with the approved
budget with the following direction:
A. Reconstitute Fiscal Sustainability Task Force (FSTF) to review the
   following, including but not limited to:
   1) All of the Member Agency Managers recommendations previously
      made by the FSTF
   2) CIP “paygo ramp up” policy and overall funding policy
   3) Projected future fixed rate charges, including Infrastructure Access
      Charge
   4) Future funding and use of Rate Stabilization Fund
B. The FSTF produce results and recommendations prior to the review of
   FY2021 Budget.
C. Review of the FY2021 Budget (Budget Workshops) to commence in May
   2020.

Director Kennedy Abstained on item 9-4.

9-5. **Adopt the Water Authority’s Rates and Charges for Calendar Year 2020.**
The Board conducted the Public Hearing; adopted Ordinance No. 2019-02, setting
rates and charges for the delivery and supply of water, use of facilities, and
provision of services; adopted Resolution No. 2019-14, continuing the Standby
Availability Charge; adopted Ordinance No. 2019-03, amending and restating the
System Capacity and Water Treatment Capacity Charges imposed by the Water
Authority pursuant to Section 5.9 of the County Water Authority Action; and found
the actions exempt from CEQA pursuant to Public Resources Code §21080(b)(8)
and authorized the General Manager to file a notice of exemption.

9-6. **Amendment to the professional services contract with Diakont Advanced
Technologies, Inc., to increase the contract limit by $288,049 to a total amount of
$768,049 for pipeline condition assessment of the First Aqueduct.**
The Board authorized the General Manager to execute Amendment 1 to the
professional services contract with Diakont Advanced Technologies, Inc., in the
amount of $288,049, increasing the authorized cumulative contract amount from
$480,000 to $768,049.
The Board adopted the 2019 Energy Management Policy with the addition of language to include environmental benefits.

9- 8. **San Vicente Energy Storage Facility – Cost-Sharing Agreement with the City of San Diego.**
The Board authorized the General Manager to enter into an agreement with the City of San Diego for implementation of Phase 4 work for the potential San Vicente Energy Storage Facility.

9- 9. **Adopt positions on various state bills:**
The Board adopted the following positions: Oppose Unless Amended on AB 402 (Quirk), relating to funding regulatory oversight of small public drinking water systems; Support on AB 638 (Gray), relating to climate change vulnerabilities for water storage; Support on AB 1657 (E. Garcia), relating to creation of an Office of the Salton Sea within the California Natural Resources Agency; and Support on the Drought Resiliency and Water Supply Infrastructure Act (Feinstein), relating to federal funding authorizations for water-related projects.

9-10. **CLOSED SESSION.**
The Board approved two year contracts to be signed by the General Counsel as follows:

<table>
<thead>
<tr>
<th>Company</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Keker Van Nest &amp; Peters</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>Brownstein Hyatt Farber Schreck</td>
<td>$3,698,984</td>
</tr>
<tr>
<td>Gordon Hess and Associates, Inc.</td>
<td>$120,000</td>
</tr>
<tr>
<td>Water Resource Consultants, Inc.</td>
<td>$120,000</td>
</tr>
</tbody>
</table>

Director Kennedy Abstained on item 9-10.

10. **ACTION/DISCUSSION**

10-A  General Manager recruitment update. – Chair Madaffer introduced Acting Human Resources Manager Kite, who provided an update on the General Manager recruitment process and status. Ms. Kite stated the recruitment firm had completed draft recruitment bulletin language which had been provided to the Board for review and comment. She requested comments and/or revisions be returned to her by Friday, July 5, 2019. Comments would be sent through the work group and then forwarded to the recruiter firm.

Director Preciado requested a specific statement be included regarding a support of diversity in the workforce. Chair Madaffer responded and encouraged all Directors to provide prompt feedback to Ms. Kite.
11. **SPECIAL REPORTS**

11-A **ACTING GENERAL MANAGER'S REPORT** – Ms. Kerl stated she had nothing further to report.

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

11-C **SANDAG REPORT** – Director Morrison announced the meeting was scheduled for June 28, 2019.

SANDAG Subcommittees:
- Borders Committee – Director Saxod announced the meeting was scheduled for June 28, 2019.
- Regional Planning Committee – Director Leonard was absent.

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

12. **CLOSED SESSION(S)**

Mr. Hattam stated no Closed Session was needed.

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; 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)
- 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; California Court of Appeal (2nd District) Case No. B297553

13. **ACTION FOLLOWING CLOSED SESSION**

14. **OTHER COMMUNICATIONS**

Chair Madaffer thanked all the staff involved in the outreach material for the Water Authority 75th Anniversary and encouraged everyone to attend the celebration following adjournment.
15. **ADJOURNMENT**

There being no further business to come before the Board, Chair Madaffer adjourned the meeting at 4:00 p.m.

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Chair: Madaffer

Secretary: Guerin

Clerk: Nelson