MINUTES OF THE FORMAL BOARD OF DIRECTORS' MEETING
March 26, 2020

1. **CALL TO ORDER** Chair Madaffer called the Board of Directors’ meeting to order at 9:00 a.m.

Chair Madaffer introduced the newest Board Member appointed by Yuima MWD, Amy Reeh, Acting General Manager for Yuima.

2. **ROLL CALL, DETERMINATION OF QUORUM**
Clerk of the Board Nelson called the roll. Directors present on teleconference were Chair Madaffer, Secretary Guerin, and Directors Arant, Ayala, Bebee, Butkiewicz, Cate, Cherashore, Evans, Fong-Sakai, Hedberg, Heinrichs, Hilliker, Katz, Kennedy, Leonard, Lewinger, Miller*, Mosca, Preciado, Rios, Saxod, Scalzitti*, Smith*, Steiner, Udrys, and Wilson and Supervisor Desmond.

The following Directors were also present on teleconference but voice not recorded on some or all of the votes: Vice Chair Croucher, and Directors Barnum, Hall, Murtland, and Saxod.

Directors absent were Boyle, Hogan, and Simpson.

Staff present included General Manager Kerl, Assistant General Manager Denham, General Counsel Hattam, Director of Finance Harris, and Clerk of the Board Nelson.

3-A **Report on proxies received.** Director Miller was the proxy for the City of Escondido.

*Director Miller joined the meeting at 9:10 a.m. and Director Scalzitti at 9:25 a.m.

3. **ADDITIONS TO THE AGENDA**
Moved by Butkiewicz, and seconded by Lewinger, the motion carried at 79.23% of the vote to add a Resolution of the Board of Directors of the San Diego County Water Authority authorizing the issuance of water revenue refunding notes, the execution and delivery of one or more loan agreements to the agenda. Ms. Nelson took a roll call vote.
4. **APPROVAL OF MINUTES**
Director Lewinger moved, seconded by Director Mosca, and the motion carried at 79.23% of the vote to approve the minutes of the Formal Board of Directors’ meeting of February 27, 2020. Ms. Nelson took a roll call vote.

5. **PUBLIC COMMENT**
Mr. Hattam reported an email was received from Mr. Flint Nelson regarding Regional Water Conveyance System and the email was read into the record.

6. **REPORT BY CHAIR**
Chair Madaffer reported on enhanced member agency outreach, the Water Authority’s collaboration with the San Diego Food Bank to conduct a virtual donation drive, and the closure of the Water Conservation Garden through March 31, 2020 during the pandemic.

7. **ACTION/DISCUSSION/PRESENTATION**

7-A Resolution Regarding COVID-19.

Ms. Kerl provided information relating to the COVID-19 virus and stated to limit danger to the citizenry, health and safety instructions were issued by various governments to keep apart, telecommute if possible, and stay home unless being out was absolutely required. She reported that on March 16 the Water Authority offices were closed to the public and on March 18 staff was grouped into three categories: those needed to work on-site; those able to telecommute; and those who would need administrative leave.

Directors asked questions and staff responded.

Director Lewinger moved, Director Hedberg seconded, and the motion carried at 80.73% of the vote to adopt Resolution No. 2020-02 declaring COVID-19 emergency. Ms. Nelson took a roll call vote.

7-B Fiscal Sustainability Task Force Update.

Chair Madaffer provided an update on the Fiscal Sustainability Task Force including a summary of topics covered in the tenth meeting held on February 28: current and future Capital Improvement Program, FY 2021 Rate Setting overview, and transportation rate design alternatives. The next meeting is scheduled for August 14, 2020.

7-C Detachment update.

Mr. Hattam provided an update on detachment and reported that both Rainbow Municipal Water District and Fallbrook Public Utility District filed for detachment the prior week. He stated it was believed that both applications contained misleading data, which would be addressed at LAFCO. The Water Authority would ask LAFCO to allow a service area
vote, and to address certain procedural issues in LAFCO law. It was expected that COVID-19 would delay the process.

7-D Market Update.

Ms. Harris provided a market update and introduced Bill Dennehy of Chandler Asset Management. Mr. Dennehy reviewed flight to quality bias in treasury yields, investment grade and high yield OAS spreads, US financial conditions and equity markets, domestic data prior to COVID-19, and the economic and market outlook.

7-E Approve Comprehensive Debt Management Strategy.

Ms. Harris provided information pertaining to the Comprehensive Debt Management Strategy which included a short and long-term market update, an overview of outstanding debt, subordinate lien debt obligations, summary of refunding opportunities, Series 2016S bonds, tax exempt commercial paper, and financing of future capital project costs.

Directors asked questions and staff responded.

Director Heinrichs moved, and Director Mosca seconded the motion. Director Kennedy expressed concern relating to an interest rate higher than the current one and both Directors Heinrichs and Mosca agreed to the resolution being modified to include the language “provided that the interest rate in any such loan agreement shall not exceed the then currently available market rates”. The motion carried at 86.50% of the vote to:

1. Authorize the issuance of Water Revenue Refunding Bonds– Series 2020A and 2020B (together, Series 2020) on a taxable basis and/or issue Series 2021A and 2021B (together Series 2021) on a tax-exempt forward basis, to refund certain outstanding long-term debt to produce debt service savings, and approve the selection of the underwriting team.

2. Authorize the issuance of Subordinate Lien Water Revenue Refunding Bonds, Series 2021S-1 (Series 2021S-1) to refund the maturing Subordinate Lien Water Revenue Refunding Bonds, Series 2016S-1, and approve the selection of the underwriting team.

3. Adopt Resolution No. 2020-03 authorizing the issuance of water revenue refunding notes, the execution and delivery of one or more loan agreements and related actions provided that the interest rate in any such loan agreement shall not exceed the then currently available market rates.

Ms. Nelson took a roll call vote.

*Director Smith left the meeting at 10:25 a.m.
7-F Pipeline 5 Repair Update.

Ms. Kuzmicich provided information on the Pipeline 5 repair location, completed activities to date, carbon fiber design, contract summary and future activities.

7-G Washington report.

Mr. Carpi provide a report on Washington activities.

7-H Sacramento report.

Mr. Farrel provided a report on Sacramento activities that included legislature Corona virus response, 2020 legislative session uncertainties, primary election results, sponsored legislation on pumped hydro storage, SB 1386 (Moorlach), and resource/resiliency bonds.

7-I Adopt positions on public safety power shutoff legislation.

Mr. Farrel provided a report on proposed legislation.

Director Lewinger moved, Director Fong-Sakai seconded, and motion carried at 86.50% of the vote to approve:

1. Support if Amended on AB 1936 (Rodriguez)
2. Support on AB 2178 (Levine)
3. Support and Seek Amendments on AB 2182 (Rubio)
4. Support on SB 952 (Nielsen)
5. Support on SB 1099 (Dodd)
6. Support if Amended on SB 1185 (Moorlach)

Ms. Nelson took a roll call vote.

8. CONSENT CALENDAR

Director Katz moved, Director Butkiewicz seconded, and the motion carried at 86.50% of the vote to approve Consent Calendar items 8-1 through 8-3. Ms. Nelson took a roll call vote. 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 accept the Rejection Tower Delaminated Coating Removal project as complete, record the Notice of Completion, and release all funds held in retention to Abbe & Svoboda, Inc., following the expiration of Notice of Completion period.
8-3. **Adopt positions on various state bills.**  
The Board adopted the following positions:
   a) Adopt a position of Support on AB 291 (Chu), relating to local emergency preparedness.
   b) Adopt a position of Oppose on AB 2629 (Mayes), relating to the Imperial Irrigation District jurisdictional boundaries.
   c) Adopt a position of Support if Amended on SB 996 (Portantino), relating to constituents of emerging concern.
   d) Adopt a position of Support on SB 1100 (Atkins), relating to sea level rise.

Ms. Nelson took a roll call vote.

9. **INFORMATION**  
The following Information items were received and filed:
   B. Metropolitan Water District Delegates Report.
   C. Metropolitan Water District Budget and Rates Update.
   D. Colorado River Board Representative’s report.
   E. Government Relations Update.
   F. Update on water supply conditions.
   G. Update on Implementation of SB 606 and AB 1668.
   H. Water Resources Report.
   I. Board Calendar.

10. **SPECIAL REPORTS**
10-A **GENERAL MANAGER’S REPORT** – Ms. Kerl expressed appreciation for the extraordinary efforts by staff in keeping the organization running smoothly during the virus pandemic.

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

10-C **SANDAG REPORT** – Director Katz reported the meeting would be held March 27, 2020 via teleconference and that the Retreat scheduled for March was cancelled.

   SANDAG Subcommittees:
   Borders Committee – Director Saxod had no report.
   Regional Planning Committee – Director Leonard stated there was no report for March and the April meeting was cancelled.

10-D **AB 1234 Compliance Reports** – No reports were given.
11. CLOSED SESSION(S)
Mr. Hattam took the Committee into Closed Session at 11:11 a.m.

11-A Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
Name of Case: Bonnie Kesner et al v. City of Santa Clara et al;
Santa Clara Superior Court Case No. 20CV364054

11-B Conference with Legal Counsel – Anticipated Litigation
Government Code §54956.9(d)(2)
One Case

11-C 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

11-D 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

11-E Conference with Legal Counsel – Anticipated Litigation
Government Code §54956.9(d)(2)
One Case (claim available for public inspection pursuant to Government Code
§54957.5)

*Directors Bebee and Kennedy exited the meeting at 11:25 a.m. and Directors Ayala and Cate at
11:31 a.m. prior to Item 11-B.

*Director Evans recused herself from Item 11-E at 11:26 a.m. and rejoined the meeting at 11:32
a.m.

Mr. Hattam brought the Board out of Closed Session at 11:42 a.m. and stated the Board
of Directors authorized the engagement of the law firm Daley & Heft to defend the Water
Authority in the Kessner lawsuit, Santa Clara Superior Court Case Number
20CV364054.0CV364.
12. **ACTION FOLLOWING CLOSED SESSION**  
There was no action following Closed Session.

13. **OTHER COMMUNICATIONS**  
There were no other communications.

14. **ADJOURNMENT**  
There being no further business to come before the Board, Chair Madaffer adjourned the meeting at 3:08 p.m.

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Jim Madaffer, Chair  
Christy Guerin, Secretary  
Melinda Nelson, Clerk of the Board