

**MINUTES OF THE FORMAL BOARD OF DIRECTORS' MEETING
MARCH 25, 2010**

ENGINEERING AND OPERATIONS COMMITTEE

CALL TO ORDER/ROLL CALL

Chair Arant called the Engineering and Operations Committee to order at 9:02 a.m. Committee members present were Chair Arant, Vice Chair Smith, Directors Bowersox, Ferguson, Hogan, Jungreis, McIntosh and Saunders. Directors absent were Barrett, Knutson, Morrison, Pocklington and Wornham. There was a quorum of the Committee. Director Mudd arrived at 9:16 a.m. Other Board members present were Directors Bond, Dailey, Dion, Lewinger, Martin, McMillan, Petty, Price, Saxod, and Steiner. Other Board members arriving after 9:00 a.m. were Directors Lewis, and Watton.

Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Director of Engineering Stift, Acting Director of Right of Way Busch, Director of Operations and Maintenance Eaton, Engineer P.E. Bride, and Construction Manager Griffis.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

There were no members of the public who wished to address the Committee.

CHAIR'S REPORT

Chair Arant reported that the Twin Oaks Valley Water Treatment Plant settlement payments had been made earlier in the month and staff was working with CH2MHill to implement the remaining items of our agreement.

Chair Arant announced the Engineering and Operations Committee Tour would take place on May 12, 2010. The reservation form and preliminary itinerary had been distributed to the Board before the Committee meeting and the reservation forms were due to the Clerk of the Board no later than May 3, 2010.

I. CONSENT CALENDAR

1. Notice of Completion for the Bulkhead Installation on Pipeline 3 at Miramar Hill and San Diego 5 Turnout.
Staff recommendation: Authorize the General Manager to accept the Bulkhead Installation on Pipeline 3 at Miramar Hill and San Diego 5 Turnout project as complete, record the Notice of Completion, and release funds held in retention to Kaveh Engineering and Construction, Inc., following expiration of the Notice of Completion period.

2. Approve settlement agreement with Olivenhain Municipal Water District and City of San Diego relating to Lake Hodges and Olivenhain Reservoir.
Staff recommendation: Authorize the General Manager and General Counsel to execute and implement the settlement agreement. Direct the General Manager to establish the OMWD Settlement Project within the Capital Improvement Budget, and execute a budget transfer of \$13,500,000 from the San Vicente Dam Raise Project to the OMWD Settlement Project.

Vice Chair Smith moved to approve the consent calendar, Director Ferguson seconded, and the motion passed unanimously.

II. ACTION/DISCUSSION

1. San Vicente Dam Raise projects.
 - 1-A Construction update.
 - 1-B Change Orders to Barnard Construction Company, Inc. for the Package 2 San Vicente Foundation Preparatory Work project.
Staff recommendation: Accept change orders 1 through 5 for \$434,626; authorize the General Manager to execute change orders for up to \$2,324,000 to revise unit price bid items to address field conditions encountered at the foundation excavations increasing the construction contract amount to \$26,508,126.

Mr. Stift addressed the Committee and spoke about recent bid results for the San Vicente Dam Raise Package 3 – Roller-Compacted Concrete Dams and Appurtenant Facilities and then turned over to Mr. Griffis who gave a presentation that included a construction update and Change Order information.

Vice Chair Smith moved to approve the staff recommendation, Director Hogan seconded, and the motion passed unanimously.

III. INFORMATION

There were no Information items on the agenda.

IV. CLOSED SESSION

1. CLOSED SESSION:
Conference with Legal Counsel - Potential Litigation
Government Code §54956.9(b)(1) – significant exposure to litigation
OMWD – Lake Hodges Water Quality Allegations

Mr. Hentschke stated a Closed Session was not needed.

V. ADJOURNMENT

There being no further business to come before the Engineering and Operations Committee, Chair Arant adjourned the meeting at 9:17 a.m.

WATER PLANNING COMMITTEE

CALL TO ORDER/ROLL CALL

Chair Saunders called the Water Planning Committee to order at 9:25 a.m. Committee members present were Vice Chairs Ferguson and Petty, Directors Dailey, Lewinger, Lewis, Linden, Martin, McMillan, Steiner, and Watton. Director Barrett, Muir, and Parker were absent. Other Board members present were Directors Arant, Bond, Bowersox, Dion, Hilliker, Hogan, Jungreis, McIntosh, Morrison, Mudd, Pocklington, Price, Saxod, Smith, and Wornham. At that time, there was a quorum of the full 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 Hentschke, Deputy General Manager Kerl, Assistant General Manager Cushman, Director of Water Resources Weinberg, Water Policy Manager Westford, Senior Engineer Fogerson, Senior Water Resources Specialists Espe and Gebert, and Water Resources Specialist Dobalian.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

There were no members of the public who wished to address the Committee.

CHAIR'S REPORT

Chair Saunders reviews the two Public Hearings on the draft EIR/EIS for the Natural Communities Conservation Plan and Habitat Conservation Plan. He thanked the Committee members that attended, and those Board members that filled in and allowed the Committee to have a quorum. He also expressed his appreciation to Vice Chair Petty for chairing the hearing in Escondido. The public comment period on this document will remain open until June 3, 2010.

He noted that several drought management related items were on the agenda and that the upcoming schedule included a decision at the April MWD Board meeting on whether MWD would continue its Water Supply Allocation Plan and at what Level of cutback. That MWD action would result in an item being heard at the May Committee meeting to discuss recommendations on what drought response action the Water Authority should take for Fiscal Year 2011.

DIRECTORS' COMMENTS

There were no Directors' comments.

I. CONSENT CALENDAR

1. Agreement with the city of San Diego for use of reservoir storage capacity.
Staff recommendation: Authorize the General Manager to sign an agreement for reservoir storage capacity with the city of San Diego. This agreement allows the Water Authority to maintain regional carryover storage in City reservoirs until the San Vicente Dam Raise is complete.

Vice Chair Petty moved, Director Steiner seconded and the motion passed.

II. ACTION/DISCUSSION

1. Drought Management Plan.
 - 1-A Approved revised M&I allocation targets.
Staff recommendation: Approved revised M&I allocation targets for remainder of fiscal year 2010 due to opt-outs from IAWP and SAWR.

Mr. Fogerson gave an oral report on M&I allocation targets.

Vice Chair Petty moved, Director Steiner seconded and the motion passed unanimately.

1-B Water Supply Conditions.

Ms. Dobalian briefed the Board on the current supply conditions including a 3-month precipitation outlook, MWD storage reserves end of year balances, and a comparison of local reservoir storage levels.

Vice Chair Petty requested that staff include the North County local participation percentages in future presentations.

- 1-C Make determination to proceed with short-term water pilot water transfer for up to 1,250 acre-feet between San Juan Water District, Santa Clara Valley Water District and the San Diego County Water Authority.
Staff recommendation: Authorize the General Manager to enter into an agreement with Santa Clara Valley Water District and San Juan Water District to purchase up to 1,500 acre-feet for an amount not to exceed \$753,000 under a pilot water transfer.

Director Steiner moved, Director Lewinger seconded and the motion passed unanimately.

- 1-D Authorize the General Manager to not exercise the Water Authority's call rights to the 2010 dry-year transfer with the South Feather Water and Power Agency.

Staff recommendation: Authorize the General Manager to not exercise the Water Authority's call rights to the 2010 dry-year transfer with the South Feather Water and Power Agency.

Director Lewinger moved, Vice Chair Ferguson seconded and the motion passed unanimously.

2. Coordination of Regional Surface Water Storage Reservoirs.

Mr. Weinberg presented an overview to the Board to providing information on current efforts to coordinate Water Authority and member agency storage volumes and reservoir operation.

Director Petty requested this item be discussed at the Board retreat in April.

Director Lewinger moved to continue the item to the next Committee meeting. Vice Chair Ferguson seconded and the motion to continue passed.

III. INFORMATION

The following Information items were noted and filed:

1. Fiscal Year 2010 Water Supply Allocations monitoring.
2. Water Resources report.

IV. CLOSED SESSION

There were no Closed Session items.

V. ADJOURNMENT

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

ADMINISTRATIVE AND FINANCE COMMITTEE

CALL TO ORDER/ROLL CALL

Vice Chair Hogan called the Administrative and Finance Committee meeting to order at 10:20 a.m. Committee members present were Vice Chairs Hogan and Price, Directors Bond, Bowersox, Dion, Hilliker, Lewis*, Pocklington, Smith, Steiner, Wight, and Wornham. Committee members absent were Chair K. Williams and Director H. Williams. At that time, there was a quorum of the Board, however, only Committee members participated in the vote. Also present were Directors Arant, Dailey, Ferguson, Jungreis, Lewinger, Linden, Martin, McIntosh, McMillan, Morrison, Mudd, Petty, Price, Saunders, Saxod, and Watton. Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Manager Kerl, Assistant General Manager Cushman, Director of Finance/Treasurer Sandler,

Director of Administrative Services Young, Director of Water Resources Weinberg, Principal Water Resources Specialist Friehauf, and Financial Planning Manager Shank.

*Director Lewis arrived at 10:21 a.m.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

Vice Chair Hogan announced there were several public speakers who wished to comment on the Special Agricultural Water Rate Program item. Vice Chair Hogan added their comments would be made later in the meeting when the item was addressed.

CHAIR'S REPORT

There was no Chair's Report.

DIRECTORS' COMMENTS

There were no Directors' comments.

I. CONSENT CALENDAR

1. Treasurer's report.
Staff recommendation: Note and file monthly Treasurer's report.

Director Dion moved, seconded by Director Smith, and the motion passed unanimously.

ACTION/DISCUSSION

1. Approve the Special Agricultural Water Rate Workgroup Board recommendation on Revised Special Agricultural Water Rate Program.
Staff recommendation: Approve the Special Agricultural Water Rate Board Workgroup recommendations as included on their March 12, 2010 Findings and Recommendations.

Director Petty recused himself from the item.

Vice Chair Hogan provided background on the SAWR workgroup, including timeline and goals. Vice Chair Hogan thanked the Workgroup members, Chair Williams, Directors Wornham, Arant, Lewinger, and Wight for their hard work. Vice Chair Hogan also thanked representatives from the agriculture community, specifically Eric Larson of the Farm Bureau, as well as Charley Wolk and Tom Bellamor of the California Avocado Commission for their valuable input.

Ms. Frieauf provided a presentation of the SAWR Workgroup's findings and recommendations. Ms. Frieauf announced a change to recommendation number 5 as distributed in the March 17, 2010 memorandum to the Board. The recommendation should read "eligibility for the SAWR class will be limited to commercial growers owning at least 1 acre of planted agriculture."

Public Speakers Eric Larson of the Farm Bureau, Chuck Badger Jr. of R.E Badger, Robert Lucy of Del Rey Avocado, Charley Wolk of the California Avocado Commission, Janet Kister of Sunlet Nursery, and Scott McIntyre of Sierra Pacific Farm Inc., spoke in support of the Workgroup's recommendations and requested the Board approve the item and continue with the Special Agricultural Water Rate Program.

Directors Bond, Dion, Pocklington, Steiner and Wornham commended the Workgroup's efforts and the collaboration with the Agricultural community to ensure agriculture customers remain a vital part of our region's economy.

Director Steiner moved, seconded by Director Hilliker, and the motion passed unanimously.

III. INFORMATION

1. Presentation on reinvestment of bond proceeds.

Mr. Shank provided a presentation on the reinvestment of 2010 A&B bond proceeds, including an overview of the interest rate environment, investment strategy development, and execution of investment strategy. Mr. Shank also reviewed the portfolio holding and yields and portfolio metrics as of February 28, 2010.

Directors asked questions and Mr. Shank provided answers. Director Wornham congratulated Mr. Sandler, Mr. Shank, and Finance staff for their hard work.

2. Controller's report on monthly financial statements.
3. Board calendar.

Director Saunders introduced Director Mudd, Director Johnson's replacement on the City 10. Directors Wornham and Arant also spoke welcoming Director Mudd.

IV. CLOSED SESSION

1. Conference with Labor Negotiator, Government Code §54957.6
Agency Designated Representatives: Frank Belock, Susan Leone,
Employee Organization: California Teamsters Public, Professional and
Medical Employees Union Local 911

General Counsel Hentschke announced the closed session was not necessary as there was no new business on the item to discuss.

V. ADJOURNMENT

There being no further business to come before the Administrative and Finance Committee, Vice Chair Hogan adjourned the meeting at 11:10 a.m.

LEGISLATION, CONSERVATION AND OUTREACH COMMITTEE
CALL TO ORDER/ROLL CALL

Chair Dailey called the Legislation, Conservation and Outreach Committee to order at 1:00 p.m. Committee members present were Chair Dailey, Vice Chair Saxod, and Directors Arant, Blackburn, Croucher, Dion, Hilliker, Jungreis, Mudd, Tu, Watton, and H. Williams. Committee members absent were Vice Chair Morrison and Directors Muir and K. Williams. Also present were Directors Barrett, Bond, Bowersox, Ferguson, Hogan, Knutson, Lewis, Linden, Martin, McIntosh, McMillan, Petty, Pocklington, Price, Saunders, Smith, Steiner, Wight, and Wornham. At that time, there was a quorum of the full 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 Hentschke, Deputy General Manager Kerl, Assistant General Manager Cushman, Public Affairs Manager Vedder, Water Resources Manager Roy, Government Affairs Manager Volberg, and Water Conservation Program Executive Rose.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

There were no members of the public who wished to address the Legislative, Conservation and Outreach Committee.

CHAIR'S REPORT

Chair Dailey welcomed Director Mudd representing the city of San Diego.

Chair Dailey announced that Director Petty would now be the chair of the Small Contracting Opportunities and Outreach Committee (SCOOP); no Vice Chair had been selected.

Chair Dailey stated that the Water Authority's guidelines for ballot measure communications were included in the pickup packet. The guidelines contained suggestions for answering questions relating to the water bond. She asked the Board to contact Mr. Hentschke if they had any questions.

Chair Dailey reported that she attended an ACWA Federal Affairs Committee meeting in Sacramento on March 12, 2010, and ACWA's positions on federal bills were discussed.

DIRECTORS' COMMENTS

There were no Director's Comments.

I. CONSENT CALENDAR

There were no items on the Consent Calendar.

II. ACTION/DISCUSSION

1. Legislative Issues.

1-A Report by Carpi and Clay.

Legislative Advocate Clay reported on issues in Sacramento.

1-B Adopt legislative positions.

Staff recommendation: Adopt positions of:

1. Support on AB 1929 (Hall)
2. Support on AB 1975 (Fong)
3. Oppose on AB 2049 (Arambula)
4. Oppose, unless amended, on AB 2092 (Huffman)
5. Support on AB 2336 (Fuller)
6. Support on SB 808 (Wolk)
7. Support, if amended, on SB 918 (Pavley)

Mr. Volberg provided a presentation including an overview of each of the above bills and a summary of staff recommendation.

Director Tu pulled SB 918 (Pavley) for discussion and Director Saxod seconded. Director Tu stated that the city of San Diego wanted to add language to the bill. Mr. Cushman stated that the language desired by the city of San Diego was already included in the staff recommendation.

Director Tu moved, Director Croucher seconded and the motion passed unanimously to adopt positions of Support on AB 1929 (Hall); Support on AB 1975 (Fong); Oppose on AB 2049 (Arambula); Oppose, unless amended, on AB 2092 (Huffman); Support on AB 2336 (Fuller); Support on SB 808 (Wolk); and Support, if amended, on SB 918 (Pavley).

- 1-C Adopt a position of Support on the Clean Renewable Water Supply Act of 2009 (H.R. 4132 and S. 1371).
Staff recommendation: Adopt a position of Support on the Clean Renewable Water Supply Act of 2009 (H.R. 4132 and S. 1371).

Management Analyst Alexi Schnell provided a presentation, including a review of both bills and staff recommendation.

Director H. Williams moved, Director Saxod seconded, and the motion passed unanimously to adopt a position of Support on the Clean Renewable Water Supply Act of 2009 (H.R. 4132 and S. 1371).

- 1-D Stormwater Legislative Policy Guidelines.
Staff recommendation: Adopt revised legislative policy guidelines.

Chair Dailey stated that during the February Legislation, Conservation and Outreach Committee meeting, she said that this item would be re-agendized for further discussion. All member agencies who voted on the wording were contacted.

Mrs. Roy stated that the intent of the wording was to protect water rights and uses. The language was changed from "historical flows" to "legal historical uses." This item would come back to the Board for legislation recommendation.

Director Jungreis moved, Director Tu seconded and the motion passed unanimously to adopt the revised stormwater legislative policy guidelines.

- 1-E Conservation Requirements of SBX 7-7.

Mrs. Roy began a presentation including agenda, applicability, the explanation of three approaches, and steps for compliance, as it relates to SBX 7-7. Mr. Rose completed the presentation, including a recap of the Water Conservation Program, how to accomplish goals by implementing a model of intersecting opportunities of influence, actual and target Municipal and Industrial Gallons Per Capita per Day water use, and Water Authority support.

Mr. Rose stated that the first phase of the project was to look for sites and the second phase was to make them available to the public.

III. INFORMATION

1. Presentation on Water Authority Annual Report of Fiscal Year 2009.

Public Affairs Representative Hubert started a presentation including background, considerations, and 2009 Annual Report process improvements.

Mr. Hubert demonstrated the annual report online and Mrs. Vedder concluded the presentation by discussing the distribution and evaluation of the report.

2. Small Contractor Outreach and Opportunities Program Quarterly report.

Director Petty presented an award to Director Johnson to acknowledging all the work he had done.

3. Water Conservation Garden report.

Director Bowersox reported that the WaterSmart Plant Sale on March 20 collected over \$1,400 in admission charges; the Spring Garden Festival was scheduled for April 24; a landscape ceremony was scheduled for May 8, and a Metropolitan Water District of Southern California tour was being arranged for June 10. He also stated that the garden continued on its transition to a non-profit organization.

Director Hilliker reported that he attended the February Conservation Action Committee meeting and they reviewed the structure of workgroups.

4. Government relations report.

Director Saxod thanked Mr. Volberg for following up on her request to implement a legislative alert system.

The following items were received and filed:

5. Public Affairs outreach activities quarterly report.
6. Status report on legislation and legislative positions.

IV. ADJOURNMENT

There being no further business to come before the Legislation, Conservation and Outreach Committee, Chair Dailey adjourned the meeting at 2:23 p.m.

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

Chair McMillan called the Imported Water Committee to order at 2:27 p.m. Committee members present were Directors Blackburn, Bond, Croucher, Knutson, Martin, McIntosh, Petty, Price, Saxod, Tu, and Wight. Directors Lewinger, Linden, and Parker were absent. Also present were Directors Barrett, Bowersox, Dailey, Dion, Ferguson, Hogan, Lewis, Morrison, Pocklington, Saunders, Smith, Steiner, Watton, H. Williams, and Wornham. 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 included General Manager Stapleton, General Counsel Hentschke, Deputy General Manager Kerl, Assistant General Manager Cushman, MWD Program Chief Chen, and others.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

There were no members of the public who wished to address the Committee.

CHAIR'S REPORT

Chair McMillan stated that the Department of Water Resources would not increase its water delivery allocation at this time due to poor hydrologic conditions in the Feather River watershed. He discussed the recent judicial ruling that the Governor and DWR illegally approved the 2009 Drought Water Bank, and the findings of the preliminary report from the National Academy of Sciences that validated most of the proposed federal actions to protect endangered and threatened fish species in the Bay-Delta. He stated that Jerry Zimmerman, Executive Director of the Colorado River Board, announced his retirement, and the CRB was reviewing options for hiring a new executive director.

4-A Director's comments.

There were no Director's comments.

I. CONSENT CALENDAR

There were no items on the consent calendar.

II. ACTION/DISCUSSION

1. MWD Issues and Activities update.

1-A Metropolitan Water District's Delegates report.

The delegates reported on discussions and actions taken at the recent MWD board meetings.

Mr. Cushman discussed MWD's public hearing on its proposed rates and charges for calendar year 2011, stating that the Water Authority provided written and oral testimony regarding the Water Authority's objection to MWD rate structure allocation.

Ms. Chen reviewed the three rate options presented by MWD for the board's consideration and additional rate scenarios that were discussed at a later board workshop. Glenn M. Reiter and Associates, a consultant firm retained by the Water Authority and three other MWD agencies (LADWP, Long Beach, and Calleguas MWD) to conduct an analysis of MWD's Budget and Capital Investment Plan, attended the workshop to present their findings

and results of rate scenarios under certain conditions. She stated MWD staff reported on two scenario evaluations as requested by the directors, and discussed the potential implications of lower revenue forecasts, which included the option of reducing planned capital expenses. Ms. Chen stated that the MWD board would adopt its budget, rates, and allocation level at their April meeting, and the status would be reported at the next Water Authority board meeting.

Chair Steiner noted that the MWD board requested a list of priorities for MWD's Capital Investment Plan.

1-B Metropolitan Water District's Integrated Resources Plan process update.

Water Policy Manager Meena Westford gave a report on MWD's Integrated Resources Plan, which was last updated in 2004. She reviewed the policy issues the plan would address. She stated that the updated plan was expected in the late fall.

2. Colorado River Programs.

2-A Colorado River Board representative's report.

Director Knutson stated that the Colorado River basin study was underway, with the first report expected in September. The report would explore options to augment the River with 1 million af/year. He said that the Assistant Secretary of the Department of the Interior denied the request from the Glen Canyon Trust to provide input into the River's Annual Operating Plan.

III. INFORMATION

The following item was noted and filed.

1. Metropolitan Water District Program report.

IV. CLOSED SESSION

There were no closed session items.

V. ADJOURNMENT

There being no further business to come before the Imported Water Committee, Chair McMillan adjourned the meeting at 3:10 p.m.

FORMAL BOARD OF DIRECTORS' MEETING OF MARCH 25, 2010

1. **CALL TO ORDER** Chair Lewis called the Formal Board of Directors' meeting to order at 3:15 p.m.
2. **SALUTE TO THE FLAG** Director Wight led the salute to the flag.
3. **ROLL CALL, DETERMINATION OF QUORUM**
Secretary Wornham called the roll. Directors present were Barrett, Blackburn, Bond, Bowersox, Croucher, Dailey, Dion, Ferguson, Hilliker, Hogan, Jungreis, Knutson, Lewis, Martin, McIntosh, McMillan, Morrison, Mudd, Muir, Parker, Petty, Pocklington, Price, Saunders, Saxod, Smith, Steiner, Tu, Watton, Wight, H. Williams, and Wornham. Directors absent were Arant, Lewinger, Linden, Parker, K. Williams and Representative Slater-Price.

3-A **Report on proxies received.** Director Knutson was the proxy for Director Arant, Director Petty was the proxy for Director Lewinger, and Director Smith was the proxy for Director Linden.
4. **ADDITIONS TO AGENDA** There were no additions to the agenda.
5. **APPROVAL OF MINUTES** Director Price moved, Director Smith seconded, and the motion carried at 100% of the vote to approve the minutes of the Special meeting of the Administrative and Finance Committee of February 11, 2010 and the Formal Board of Directors' meeting of February 25, 2010.
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 that wished to speak.
7. **PRESENTATIONS AND PUBLIC HEARINGS**
7-A **Retirement of Director.** The Board adopted **Resolution No. 2010-01** honoring John Johnson upon his retirement from the Board of Directors.

Director Johnson gave a moving speech reviewing the 12-years he served on the Board and thanked staff for the assistance they had provided to him.

Director Petty moved, Director Barrett seconded and the motion carried at 100% of the vote to adopt Resolution No. 2010-01.

- 7-B Appointment of Director. Vincent Mudd representing city of San Diego. Term expires January 2, 2016.
- 7-C Reappointment of Director. Reappointment of Elsa Saxod, representing city of San Diego. Term expires February 7, 2016.

Chair Lewis announced that Vincent Mudd had been appointed to the Board of Directors and Director Saxod had been reappointed.

8. **REPORTS BY CHAIRS**

- 8-A Chair's report. Chair Lewis thanked the Board's Special Agricultural Water Rate Workgroup for their time and effort in working through the issue. He reminded the Board of the upcoming retreat on April 8, 2010. He thanked Director Barrett for his service on the Board and as a Metropolitan Water District Delegate.
- 8-B Report by Committee Chairs.
 - Engineering and Operations Committee. Director Smith reviewed the meeting and the actions taken.
 - Water Planning Committee. Director Saunders reviewed the meeting and the actions taken.
 - Administrative and Finance Committee. Director Hogan reviewed the committee meeting and actions taken.
 - Legislation, Conservation and Outreach Committee. Director Dailey reviewed the meeting and the actions taken.
 - Imported Water Committee. Director McMillan reviewed the meeting. There were no actions taken.

9. **CONSENT CALENDAR**

Director Ferguson moved, Director Tu seconded, and the motion carried at 100.00% of the vote to approve the consent calendar.

- 9-1. Notice of Completion for the Bulkhead Installation on Pipeline 3 at Miramar Hill and San Diego 5 Turnout.

The Board authorized the General Manager to accept the Bulkhead Installation on Pipeline 3 at Miramar Hill and San Diego 5 Turnout project as complete, record the Notice of Completion, and release funds held in retention to Kaveh Engineering and Construction, Inc., following expiration of the Notice of Completion period.

- 9-2. Approve settlement agreement with Olivenhain Municipal Water District and City of San Diego relating to Lake Hodges and Olivenhain Reservoir.
The Board authorized the General Manager and General Counsel to execute and implement the settlement agreement. The Board directed the General Manager to establish the OMWD Settlement Project within the Capital Improvement Budget, and execute a budget transfer of \$13,500,000 from the San Vicente Dam Raise Project to the OMWD Settlement Project.
- Director Muir abstained on this item.
- 9-3. Change Orders to Barnard Construction Company, Inc. for the Package 2 San Vicente Foundation Preparatory Work project.
The Board accepted change orders 1 through 5 for \$434,626; and authorized the General Manager to execute change orders for up to \$2,324,000 to revise unit price bid items to address field conditions encountered at the foundation excavations increasing the construction contract amount to \$26,508,126.
- 9-4. Agreement with the city of San Diego for use of reservoir storage capacity.
The Board authorized the General Manager to sign an agreement for reservoir storage capacity with the city of San Diego. This agreement allows the Water Authority to maintain regional carryover storage in City reservoirs until the San Vicente Dam Raise is complete.
- 9-5. Approve revised M&I allocation targets.
The Board approved revised M&I allocation targets for remainder of fiscal year 2010 due to opt-outs from Interim Agricultural Water Program and Special Agricultural Water Rates.
- 9-6. Make determination to proceed with short-term pilot water transfer for up to 1,250 acre-feet between San Juan Water District, Santa Clara Valley Water District and the San Diego County Water Authority.
The Board authorized the General Manager to enter into an agreement with Santa Clara Valley Water District and San Juan Water District to purchase up to 1,250 acre-feet for an amount not to exceed \$753,000 under a pilot water transfer.
- 9-7. Authorize the General Manager to not exercise the Water Authority's call rights to the 2010 dry-year transfer with the South Feather Water and Power Agency.
The Board authorized the General Manager to not exercise the Water Authority's call rights to the 2010 dry-year transfer with the South Feather Water and Power Agency.
- 9-8. Treasurer's report.
The Board noted and filed the monthly Treasurer's report.

9-9. Approve Special Agricultural Water Rate Workgroup Board recommendation on Revised Special Agricultural Water Rate Program.

The Board approved the Special Agricultural Water Rate Board Workgroup recommendations as included in their March 12, 2010 Findings and Recommendations.

Director Petty recused himself on this item.

9-10. Adopt legislative positions.

The Board adopted positions of:

1. Support on AB 1929 (Hall)
2. Support on AB 1975 (Fong)
3. Oppose on AB 2049 (Arambula)
4. Oppose, unless amended, on AB 2092 (Huffman)
5. Support on AB 2336 (Fuller)
6. Support on SB 808 (Wolk)
7. Support, if amended, on SB 918 (Pavley).

9-11. Adopt a position of Support on the Clean Renewable Water Supply Act of 2009 (H.R. 4132 and S. 1371).

The Board adopted a position of Support on the Clean Renewable Water Supply Act of 2009 (H.R. 4132 and S. 1371).

9-12. Stormwater Legislative Policy Guidelines.

The Board adopted revised legislative policy guidelines.

10. **ACTION/DISCUSSION**

There were no items under Action/Discussion.

11. **CLOSED SESSION(S)**

Mr. Hentschke stated there was no need for a Closed Session.

11-A. **CLOSED SESSION:**

Conference with Legal Counsel - Potential Litigation
Government Code §54956.9(b)(1) – significant exposure to litigation
OMWD – Lake Hodges Water Quality Allegations

11-B. **CLOSED SESSION:**

Conference with Labor Negotiator, Government Code §54957.6
Agency Designated Representatives: Frank Belock, Susan Leone
Employee Organization: California Teamsters Public, Professional
and Medical Employees Union Local 911

12. **Action following Closed Session if needed.**

No Action was needed.

13. **SPECIAL REPORTS**

13-A GENERAL MANAGER'S REPORT – No report was given.

13-B GENERAL COUNSEL'S REPORT – No report was given.

13-C SANDAG REPORT – Director Muir provided the report.

SANDAG BORDERS/REGIONAL PLANNING COMMITTEE – Director Saxod reviewed the most recent meeting.

13-D AB 1234 COMPLIANCE REPORTS – No reports were given.

14. **OTHER COMMUNICATIONS - None.**

15. **ADJOURNMENT**

There being no further business to come before the Board, Chair Lewis adjourned the meeting at 3:40 p.m.

Claude A. Lewis, Chair

Thomas V. Wornham, Secretary

Doria F. Lore, Clerk of the Board