

**MINUTES OF THE FORMAL BOARD OF DIRECTORS' MEETING
MAY 27, 2010**

ADMINISTRATIVE AND FINANCE COMMITTEE

CALL TO ORDER/ROLL CALL

Vice Chair Hogan called the Administrative and Finance Committee meeting to order at 9:00 a.m. Committee members present were Vice Chairs Hogan and Price, Directors Bond, Bowersox, Dion, Hilliker*, Lewis, Pocklington*, Smith, Steiner, Wight, and H. Williams*. Committee members absent were Chair K. Williams and Director Wornham. At that time, there was a quorum of the Committee. Also present were Directors Arant, Dailey, Ferguson, Heidel, Jungreis, Lewinger, Linden, McIntosh, McMillan, Petty, and Saxod. Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Director of Finance/Treasurer Sandler, Director of Human Resources Leone, and Director of Administrative Services Young.

*Director Howard Williams arrived at 9:05 a.m., Director Pocklington arrived at 9:10 a.m., and Director Hilliker arrived at 9:39 a.m.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

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

CHAIR'S REPORT

There was no Chair's Report.

DIRECTORS' COMMENTS

There were no Directors' comments.

I. CONSENT CALENDAR

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

2. Procedures for Acquisitions and Contracts.
Staff recommendation:
 - a) Adopt Ordinance No. 2010-01 an ordinance of the Board of Directors of the San Diego County Water Authority amending various sections of Article 4, Chapter 4.04 of the Administrative Code to delete authorization to award contracts based on vendor lists and making other technical clean-up amendments.
 - b) Retain the current limits for the General Manager's emergency contracting authority.

Director Dion moved, seconded by Vice Chair Price, and the motion passed unanimously to approve the Consent Calendar.

II. ACTION/DISCUSSION

1. Resolution setting a Public Hearing date for the Water Authority's proposed calendar year 2011 rate and charge increases.
Staff recommendation: Adopt Resolution No. 2010-03 setting the time and place for a public hearing on June 24, 2010, at 9:00 a.m., or as soon thereafter as may practicably be heard, during the Administration and Finance Committee meeting, to receive comments regarding establishing a Melded Supply Rate, a Melded Treatment Rate, a Transportation Rate, the Special Agricultural Water Program rates, a Customer Service Charge, a Storage Charge and an Infrastructure Access Charge to be effective January 1, 2011 for calendar year 2011.

Mr. Sandler provided a presentation on the recommended calendar year 2011 rates and charges. The presentation included the economic challenges and impact on the Water Authority, efforts to mitigate rate impacts, recommended rates and charges for calendar year 2011, and financial performance metrics.

Mr. Sandler reviewed efforts made to mitigate rate impacts, including sponsoring a third party review of MWD's budget and providing recommendations, a reduction in the fiscal year 2010 and 2011 multi-year adopted budget, a reduction in spot water purchases, and a draw from the rate stabilization fund.

Mr. Sandler reviewed the recommended rates and charges increases to treated and untreated water and the overall estimated increase in monthly wholesale water costs per household.

Directors discussed the item and asked questions and Mr. Sandler provided answers.

Director Steiner moved, seconded by Vice Chair Price and the motion passed unanimously to approve the staff recommendation.

III. INFORMATION

The following items were received and filed:

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

IV. 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

General Counsel Hentschke took the committee into closed session at 9:31 a.m. At 9:49 a.m. the committee came out of closed session and Mr. Hentschke announced there were no reportable actions taken.

V. ADJOURNMENT

There being no further business to come before the Administrative and Finance Committee, Vice Chair Hogan adjourned the meeting at 9:49 a.m.

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

Chair Dailey called the Legislation, Conservation and Outreach Committee to order at 10:00 a.m. Committee members present were Chair Dailey, Vice Chair Saxod, and Directors Arant, Croucher, Dion, Hilliker, Jungreis, Mudd, Muir, Tu, and H. Williams. Committee members absent were Vice Chair Morrison and Directors Blackburn, Watton, and K. Williams. Also present were Directors Bond, Bowersox, Ferguson, Heidel, Hogan, Knutson, Lewinger, Lewis, Linden, McIntosh, McMillan, Petty, Pocklington, Price, Smith, Steiner, and Wight. 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 Managers Kerl and Belock, Assistant General Manager Cushman, Director of Public Affairs Foster, Government Affairs Manager Volberg, and Water Conservation Program Executive Rose.

ADDITIONS TO THE AGENDA

Chair Dailey stated she was adding a Conservation Action Committee report from Director Hilliker as Item 1A, under Section III, Information.

PUBLIC COMMENT

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

CHAIR'S REPORT

Chair Dailey announced that Ms. Stapleton would be receiving the Ronald Kendrick Memorial Award at the LEAD's Visionary Awards dinner that evening for regional collaboration.

DIRECTORS' COMMENTS

Director Petty announced that the Army Corps of Engineers had scheduled a scoping meeting on Gregory Canyon. Mr. Belock stated that Water Authority staff would be in attendance.

I. CONSENT CALENDAR

There were no Consent Calendar items.

II. ACTION/DISCUSSION

1. Legislative Issues.

1-A Report by Carpi and Clay.

Mr. Carpi advised that Mr. Volberg would respond to any questions regarding Sacramento issues. Mr. Carpi reported that Congress would be out for a week due to the holiday. He reported on issues in Washington, D. C.

1-B Adopt positions on various state bills.

Staff recommendation: Adopt positions of: Oppose on AB 1664 (Swanson) and AB 2583 (Hall).

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

Director Hilliker moved, Director H. Williams seconded and the motion passed unanimously to adopt positions of Oppose on AB 1664 (Swanson) and AB 2583 (Hall).

1-C Adopt positions on various federal bills.

Staff recommendation: Adopt positions of Support on HR 4579 (Filner), and Oppose on HR 5088 (Oberstar).

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

Director Saxod moved to modify the staff recommendation to:

Support on HR 4579 (Filner) with Support on AB 3030, Groundwater Basin Study included.

Director Tu seconded and the motion passed unanimously with the modification.

Director Arant moved, Director Dion seconded to adopt a position of Oppose on HR 5088. Director Jungreis abstained. Chair Dailey called for the question and the motion passed.

1-D Consider adopting position on Proposition 16.

Director Mudd moved and Director H. Williams seconded to discuss Proposition 16. Director Mudd asked what the Water Authority could do to communicate to the public a position of Oppose on this issue. Mr. Cushman responded that Water Authority staff would use news releases and outreach at community events over the next two weeks. Mr. Hentschke reminded the Board they could state their personal opinion, but not as part of the Water Authority Board. Chair Dailey called for the question and the motion passed unanimously to adopt a position of Oppose on Proposition 16.

2. Regional Drought Management and Conservation Communications update.

Ms. Vedder provided a presentation including communication milestones, regional water savings, emerging factors to address, outreach objectives, and strategy adjustments. Ms. Kerl advised that staff would present to the Board a comprehensive package for review at the July meeting. Directors Saxod, Jungreis, and Tu expressed concern in waiting to conduct outreach until July.

Ms. Kerl stated staff felt it was best to give the Board a full overview of all contracts necessary and not to present it as piecemeal. Director Tu asked if the Water Authority would continue outreach activities during the summer. Ms. Stapleton stated that staff was continuing with outreach over the next three months, including speakers bureau activities and the San Diego County Fair.

III. INFORMATION

1. Water Conservation Garden report.

Director Bowersox stated that the Conservation Garden was still in the transition stage from a JPIA-managed to a non-profit organization; a fundraising reception was scheduled for June 18; the budget was “in the black” thanks to contributions from member agencies; number of people reached had increased; and although there were fewer attendees at the Spring Garden Festival, more revenue was earned.

2. Conservation Action Committee report.

Director Hilliker reported on a presentation made by the Olivenhain Municipal Water District on an online system that allows people to see how much water their neighbors are using. He thought this may be something that the Water Authority could assess for possible use.

The following items were received and filed:

3. Government relations update.
4. 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 10:45 a.m.

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

Chair McMillan called the Imported Water Committee meeting to order at 10:50 a.m. Committee members present were Directors Bond, Croucher, Lewinger, Linden, McIntosh, Petty, Price, Saxod, Tu, and Wight. Directors Blackburn and Martin were absent. At that time, there was a full quorum of the Board, and the meeting was conducted as a meeting of the Board, however, only committee members participated in the vote. Also present were Directors Arant, Bowersox, Dailey, Dion, Ferguson, Hilliker, Hogan, Jungreis, Lewis, Muir, Pocklington, Smith,

Steiner, and H. Williams. Staff present included General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Director of Colorado River Programs Razak, MWD Program Chief Chen, and others.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

David Schroedl, a San Diego resident, addressed the committee regarding human safety on the All American Canal. He recommended buoy lines be installed every 500 feet, as well as lifelines. Director McMillan referred the matter to staff.

CHAIR'S REPORT

Director McMillan discussed a recent Colorado River binational meeting between officials from the Bureau of Reclamation, the International Boundary and Water Commission, and Mexico, where proposed binational water management strategies were discussed. He stated that the Department of Water Resources increased its final 2010 State Water Project allocation to 45 percent as a result of late season storms, and that U.S. District Judge Oliver Wanger granted the Central Valley Project and State Water Project contractors' requests for a preliminary injunction to lift the salmon Biological Opinion cases that would lift Delta pumping restrictions for about three weeks. He stated that Curt Schmutte, Principal Engineer from MWD, would give a presentation on the Bay Delta.

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.

2. Colorado River Programs.

2-A Colorado River Board representative's report.

Director Knutson did not have comments.

2-B Colorado River Programs Ad Hoc Committee update.

Director Watton was not present for comments.

3. Presentation by Curt Schmutte, Principal Engineer, Metropolitan Water District on the Bay Delta

Mr. Schmutte presented an overview on the Bay Delta, and discussed the key risks to the Delta that include the rising sea level, subsidence, seismic risks, and loss of fish habitat. He stated that the Delta has two co-equal uses as a water supply and as an ecosystem. He said that the Delta was not sustainable in its current form and the water supply needs to be separated from the ecosystem. Mr. Schmutte discussed Delta fix options with associated cost estimates.

III. INFORMATION

3. Presentation on Binational Colorado River Cooperative Process.

The presentation was postponed to the June committee meeting.

The following item was noted and filed:

4. Metropolitan Water District program report.

The committee recessed at 12:15 p.m. and reconvened at 12:45 p.m. at which time Mr. Hentschke took the Committee into Closed Session.

IV. CLOSED SESSION

1. CLOSED SESSION:
Conference with Legal Counsel – Existing Litigation
Governance Code §54956.9(a)
Name of Case: QSA Judicial Council Coordination Proceeding No. 4353
2. CLOSED SESSION:
Conference with Legal Counsel – Initiation of Litigation
Government Code §54956.9(c) - One Case

At 2:42 p.m. Mr. Hentschke took the Committee out of Closed Session and stated the actions taken in closed session were not reportable.

V. ADJOURNMENT

There being no further business to come before the Imported Water Committee, Chair McMillan adjourned the meeting at 2:43 p.m.

ENGINEERING AND OPERATIONS COMMITTEE

CALL TO ORDER/ROLL CALL

Chair Arant called the Engineering and Operations Committee to order at 2:48 p.m. Committee members present were Chair Arant, Vice Chair Smith, Directors Bowersox, Ferguson, McIntosh, Mudd, Pocklington, and Saunders. Directors Hogan and Knutson arrived just after roll call. Absent were Directors Jungreis, Morrison, and Wornham. There was a quorum of the Committee. Other Board members present were Directors Blackburn, Dailey, Heidel, Hilliker, Lewinger, Lewis, Linden, McMillan, Petty, Price, Saxod, Wight, and H. Williams.

Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Manager Belock, Deputy General Manager Kerl, Assistant General Manager Cushman, Director of Engineering Stift, Acting Director of Right of Way Busch, Director of Operations and Maintenance Eaton, Construction Manager Griffis, O&M Manager Stine, Senior Right of Way Agent Flanagan and Risk Manager Homer.

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 spoke about the Engineering and Operations Committee Tour that took place on May 12, 2010 and the San Vicente Pumping Facilities Project award received from the American Society of Civil Engineers San Diego Section on May 15, 2010.

I. CONSENT CALENDAR

1. Notice of Completion for the Package 2B San Vicente Vegetation Cutting and Erosion Control project.
Staff recommendation: Authorize the General Manager to accept the San Vicente Reservoir Vegetation Cutting and Erosion Control project as complete, record the Notice of Completion, and release funds held in retention to ValleyCrest Landscape Development, Inc., following the expiration of the Notice of Completion period.
2. Change Orders to Archer Western for the ESP-Lake Hodges Pump Station and Inlet/Outlet Structure project.
Staff recommendation: Accept Archer Western change orders 35 through 37 for \$403,607 increasing the contract amount to 73,426,066.
3. Re-bid the contract for the construction and installation of the Escondido office HVAC system upgrade.

- Staff recommendation: Authorize the General Manager to reject all bids and re-bid the contract for construction and installation of the Escondido office HVAC system upgrade.
4. Grant of Easement to San Diego Gas and Electric Company.
Staff recommendation: Authorize the General Manager to grant a five-acre aerial easement to SDG&E for the offered amount of \$267,000.
 5. Resolution declaring the fee interest in San Diego County Water Authority Parcel Numbers 5E1-543; 5E1-542D; 5E1-542E; 5E1-544; 5E1-545; and 5E1-546 is surplus to Water Authority needs.
Staff recommendation:
 - a) Adopt Resolution No. 2010- _____ declaring the fee interest in San Diego County Water Authority Parcel Numbers 5E1-543; 5E1-542D; 5E1-542E; 5E1-544; 5E1-545; and 5E1-546 is surplus to Water Authority needs.
 - b) Authorize the General Manager to dispose of the fee property for fair market value in accordance with the San Diego County Water Authority Administrative Code, Chapter 7, and reserve any easements and setbacks necessary for proper operation and maintenance of Water Authority pipelines.
 6. Professional services contract for security services for the Emergency Storage Project at the San Vicente construction site.
Staff recommendation: Authorize the General Manager to award a professional services contract to Bald Eagle Security Services for security services at the San Vicente construction site for up to five years through June 2015, for an amount not-to-exceed \$700,000.

Director Knutson moved to approve the consent calendar, Director Ferguson seconded, and the motion passed unanimously.

II. ACTION/DISCUSSION

There were no action/discussion items on the agenda.

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) and (c) – Lake Hodges ESP/Pump Storage Pump Station Project

Chair Arant stated that a Closed Session was not needed at that time.

V. ADJOURNMENT

There being no further business to come before the Engineering and Operations Committee, Chair Arant adjourned the meeting at 2:51 p.m.

WATER PLANNING COMMITTEE

CALL TO ORDER/ROLL CALL

Chair Saunders called the Water Planning Committee to order at 3:00 p.m. Committee members present were Vice Chairs Ferguson and Petty, Directors Dailey, Heidel, Lewinger, Lewis, Linden, and McMillan. Directors Martin, and Watton were absent. At that time there was a quorum of the Committee. Director Steiner arrived at 3:25. Other Board members present were Directors Arant, Blackburn, Bond, Bowersox, Dion, Knutson, McIntosh, Pocklington, Price, Saxod, Smith, Wight, and H. Williams.

Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Director of Water Resources Weinberg, Water Resources Manager Yamada, Principal Water Resources Specialist Frieauf, and Water Resources Specialist Dobalian.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

Attorney Livia Borak of the Coast Law Group, Encinitas, California, addressed the Board on behalf of the Coastal Environmental Rights Fund.

CHAIR'S REPORT

Chair Saunders reported that the public comment period for the Water Authority's Natural Communications Conservation Plan/Habitat Conservation Plan EIR EIS ended, and thanked the Committee members who participated.

DIRECTORS' COMMENTS

There were no Directors' comments.

I. CONSENT CALENDAR

There were no items for the Consent Calendar.

II. ACTION/DISCUSSION

1. Drought Management Plan.

1-A Water Supply Conditions.

Ms. Dobalian briefed the Committee on current supply conditions including snow and reservoir conditions, Colorado River conditions, storage in major local reservoirs that received runoff, and local precipitation from July 2009 through May 16, 2010.

1-B Shortage management actions for fiscal year 2011 in response to supply cutbacks from Metropolitan Water District.

Staff recommendation: In response to Metropolitan Water District's April 2010 action to remain at Water Supply Allocation Plan Level 2 in fiscal year 2011 and the need to manage dry-year supplies for future years, staff is recommending that the Water Authority:

1. Continue to allocate supplies to member agencies in accordance with the Drought Management Plan;
2. Remain at Level 2, "Drought Alert" condition consistent with the Water Authority's Drought Response Conservation Program Ordinance; and
3. Do not withdraw dry-year supplies from carryover storage or utilize additional dry-year transfers.

Ms. Friehauf presented a three-year Water Authority supply outlook to the Committee, illustrating possible supply scenarios for that period for comparison with the current demand trend.

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

Director Lewinger recommended changing the name of the "Drought Management Plan" to "Supply Shortage Management Plan." Vice Chair Ferguson agreed with the idea, and Ms. Stapleton stated the topic would be discussed and acted upon at the June Board meeting.

III. INFORMATION

1. Status report on the Carlsbad Desalination Project progress.

Mr. Weinberg presented a review and status update on the desalination project being developed by Poseidon Resources in Carlsbad, and the role Water Authority staff has played in assisting with the development of the project. He stated there were nine desalination partners who signed on to receive the water when the connection to the Aqueduct is completed

Mr. Yamada followed with a presentation about the agreements Water Authority staff have produced to assist the nine desalination partners, and will be consistent with Board-adopted policy passed in May 2009 regarding the conveyance and exchange of local water supplies.

The following Information items were noted and filed.

2. Fiscal Year 2010 Water Supply Allocations Monitoring.
3. 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 3:50 p.m.

FORMAL BOARD OF DIRECTORS' MEETING OF MAY 27, 2010

1. **CALL TO ORDER** Chair Lewis called the Formal Board of Directors' meeting to order at 4:00 p.m.
2. **SALUTE TO THE FLAG** Director Ferguson led the salute to the flag.
3. **ROLL CALL, DETERMINATION OF QUORUM**
Clerk of the Board Lore called the roll. Directors present were Barrett, Blackburn, Bond, Bowersox, Dailey, Dion, Ferguson, Hilliker, Hogan, Knutson, Lewinger, Lewis, Linden, McIntosh, McMillan, Morrison, Mudd, Muir, Petty, Pocklington, Price, Saunders, Saxod, Smith, Steiner, Wight, and H. Williams, Directors absent were Arant, Croucher (p), Jungreis, Martin (p), Tu, K. Williams, Watton (p), Wornham and Representative Slater-Price.

3-A **Report on proxies received.** Chair Lewis was the proxy for Director Martin, Director Muir was the proxy for Directors Croucher and Watton.
4. **ADDITIONS TO AGENDA** There were no additions to the agenda.
5. **APPROVAL OF MINUTES** Director Smith moved, Director Dailey seconded, and the motion carried at 94.25% of the vote to approve the minutes of the Special Board of Directors meeting of April 8, 2010 and the Formal Board of Directors' meeting of April 22, 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.** Adopt Resolution No. 2010-__ honoring Joseph Parker upon his retirement from the Board of Directors.
 - 7-B **Appointment of Director.** Lynne Heidel representing city of San Diego. Term expires March 7, 2016.
 - 7-C Recognition of Kelly Rodgers, Senior Engineer, Employee of the Third Quarter.

Director Ferguson moved, Director Bond seconded and the Board adopted Resolution No. 2010-05 honoring Joseph Parker upon his retirement from the Board of Directors. Chair Lewis introduced Lynne Heidel who was recently appointed to the Board. Kelly Rodgers was honored as Employee of the Third Quarter.

8. **REPORTS BY CHAIRS**

8-A Chair's report. Chair Lewis announced he intended to appoint a replacement for the open delegate position on the Metropolitan Water District Board at the Water Authority's June 24, 2010 Board meeting. He gave 30 days notice as required by Section 9.00.070 of the Administrative Code. The appointment would fill the vacant delegate position created by Jim Barrett's resignation.

He stated the appointment of the Delta Group to act as the Review Board and Negotiating Team for the annual review of the General Manager and General Counsel.

He reminded the Board of the upcoming Special Board meeting on June 10, 2010.

8-B Report by Committee Chairs.

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 and the action taken.

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.

9. **CONSENT CALENDAR**

Director Ferguson moved, Director Dailey seconded, and the motion carried at 94.25% of the vote to approve the consent calendar.

9- 1. Treasurer's report.

The Board noted and filed the monthly Treasurer's report.

9- 2. Procedures for Acquisitions and Contracts.

The Board adopted **Ordinance No. 2010-01** an ordinance of the Board of Directors of the San Diego County Water Authority amending various sections of Article 4, Chapter 4.04 of the Administrative Code to delete authorization to award contracts based on vendor lists and making other technical and clean-up amendments. Retain the current limits for the General Manager's emergency contracting authority.

- 9- 3. Resolution setting a Public Hearing date for the Water Authority's proposed calendar year 2011 rate and charge increases.
The Board adopted **Resolution No. 2010-03** setting the time and place for a public hearing on June 24, 2010, at 9:00 a.m., or as soon thereafter as may practicably be heard, during the Administrative and Finance Committee meeting, to receive comments regarding establishing a Melded Supply Rate, a Melded Treatment Rate, a Transportation Rate, the Special Agricultural Water Program rates, a Customer Service Charge, a Storage Charge and an Infrastructure Access Charge to be effective January 1, 2011 for calendar year 2011.
- 9- 4. Adopt positions on various state bills.
The Board adopted positions of Oppose on AB 1664 (Swanson) and AB 2583 (Hall).
- 9- 5. Adopt positions on various federal bills.
The Board adopted positions of Support on HR 4579 (Filner) with Support on AB 3030, Groundwater Basin Study included, and Oppose on HR 5088 (Oberstar).
- 9- 6. Consider adopting position on Proposition 16.
The Board adopted a position of Oppose on Proposition 16.
- 9- 7. Notice of Completion for the Package 2B San Vicente Vegetation Cutting and Erosion Control project.
The Board authorized the General Manager to accept the San Vicente Reservoir Vegetation Cutting and Erosion Control project as complete, record the Notice of Completion, and release funds held in retention to ValleyCrest Landscape Development, Inc., following the expiration of the Notice of Completion period.
- 9- 8. Change Orders to Archer Western for the ESP-Lake Hodges Pump Station and Inlet/Outlet Structure project.
The Board accepted Archer Western change orders 35 through 37 for \$403,607 increasing the contract amount to \$73,426,066.
- 9- 9. Re-bid the contract for the construction and installation of the Escondido office HVAC system upgrade.
The Board authorized the General Manager to reject all bids and re-bid the contract for construction and installation of the Escondido office HVAC system upgrade.
- 9-10. Grant of Easement to San Diego Gas and Electric Company.
The Board authorized the General Manager to grant a five-acre aerial easement to SDG&E for the offered amount of \$267,000.

- 9-11. Resolution declaring the fee interest in San Diego County Water Authority Parcel Numbers 5E1-543; 5E1-542D; 5E1-542E; 5E1-544; 5E1-545; and 5E1-546 is surplus to Water Authority needs.

The Board adopted **Resolution No. 2010-04** declaring the fee interest in San Diego County Water Authority Parcel Numbers 5E1-543; 5E1-542D; 5E1-542E; 5E1-544; 5E1-545; and 5E1-546 is surplus to Water Authority needs. The Board authorized the General Manager to dispose of the fee property for fair market value in accordance with the San Diego County Water Authority Administrative Code, Chapter 7, and reserve any easements and setbacks necessary for proper operation and maintenance of Water Authority pipelines.

- 9-12. Professional services contract for security services for the Emergency Storage Project at the San Vicente construction site.

The Board authorized the General Manager to award a professional services contract to Bald Eagle Security Services for security services at the San Vicente construction site for up to five years through June 2015, for an amount not-to-exceed \$700,000.

- 9-13. Shortage management actions for fiscal year 2011 in response to supply cutbacks from Metropolitan Water District.

The Board authorized the following:

Continue to allocate supplies to member agencies in accordance with the Drought Management Plan; Remain at Level 2, "Drought Alert" condition, consistent with the Water Authority's Drought Response Conservation Program Ordinance; and Do not withdraw dry-year supplies from carryover storage or utilize additional dry-year transfers.

10. **ACTION/DISCUSSION**

There were no items under Action/Discussion.

11. **CLOSED SESSION(S)**

Mr. Hentschke took the Board into Closed Session at 4:18 p.m. on item 11-C.

11-A **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

11-B **CLOSED SESSION:**

Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(a)
Name of Case: QSA Judicial Council Coordination Proceeding No. 4353

- 11-C **CLOSED SESSION:**
Conference with Legal Counsel – Initiation of Litigation
Government Code §54956.9(c) – One Case
- 11-D **CLOSED SESSION:**
Conference with Legal Counsel – Potential Litigation
Government Code §54956.9(b) and (c) – Lake Hodges ESP/Pump Storage Pump Station Project

At 4:20 p.m. Mr. Hentschke took the Board out of Closed Session.

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

Director Price moved, Director Bond seconded and the motion passed unanimously on item 11-C, authorizing the General Counsel to execute amended agreements with Colantuono & Levin, and Howard Rice Nemerovski Canady Falk & Rabkin for special counsel services; and continued consideration of the matter to the special meeting of June 10, 2010.

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 reported on recent meetings.
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 4:22 p.m.

Claude A. Lewis, Chair

Thomas V. Wornham, Secretary

Doria F. Lore, Clerk of the Board