

**MINUTES OF THE FORMAL BOARD OF DIRECTORS' MEETING  
JUNE 28, 2012**

**ADMINISTRATIVE AND FINANCE COMMITTEE**

**CALL TO ORDER / ROLL CALL**

Director Wight called the Administrative and Finance Committee meeting to order at 9:00 a.m. Committee members present were Chair Wight, Vice Chair Bond, Directors Arant, Bailey, Brady, Dion, Douglas, Price, Saunders, Smith, Topolovac and Wornham. Committee members absent were Vice Chair Croucher and Director Hilliker. 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.

Also present were Directors Barnum, Boyle, Dailey, Hogan, Heidel, Jungreis, Lamb, Lewinger, Linden, Miller, Sanford, Saxod, Steiner, Watton, Weston, Williams, and Wilson. Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Interim Director of Finance Statler, Controller Greek, Director of Human Resources Leone, Director of Administrative Services Young, Financial Planning Manager Shank, Budget and Analysis Manager Celaya 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 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 the monthly Treasurer's report.

Director Wornham moved, Director Smith seconded, and the motion passed unanimously to approve the Treasurer's report.

2. Purchase Water Authority Business Insurance – Property and Liability.

Staff recommendation: Authorize the General Manager to purchase property and liability insurance from the Special District Risk Management Authority in the amount of \$653,000 for coverage for the period of July 1, 2012 through June 30, 2013.

Director Brady moved, Director Price seconded, and the motion passed unanimously to approve the staff recommendation.

**I. ACTION/DISCUSSION**

1. Discussion and Consideration of the Fiscal Years 2012 and 2013 Mid-Term Budget update.

Staff recommendation: Approve the recommended mid-term budget adjustments.

Ms. Celaya presented an update on the Fiscal Years 2012 and 2013 Budget, including a discussion on sources and uses of funds. Ms. Celaya reviewed three recommendations that reallocated existing resources within the Capital Improvement Program and Operating Departments budget.

After a brief discussion and questions from Board members, Director Saunders moved, Director Arant seconded, and the motion passed unanimously to approve the staff recommendation.

2. PUBLIC HEARING: Adopt the Water Authority's rates and charges for calendar year 2013 and continue the annual Standby Availability Charge for fiscal year 2012-2013 as currently imposed.

Staff recommendations:

- a. Adopt Ordinance No. 2012-\_\_\_ an ordinance of the Board of Directors of the San Diego County Water Authority setting rates and charges for delivery and supply of water, use of facilities and provisions of services.
- b. Adopt Resolution 2012-\_\_\_ a resolution of the Board of Directors of the San Diego County Water Authority continuing the Standby Availability Charge.

Chair Wight opened the Public Hearing and there were no members of the public that wished to speak.

Mr. Shank and Ms. Stapleton provided a presentation on the Water Authority's rates and charges. Mr. Shank began with an overview of the information presented at the May Board meeting. Ms. Stapleton continued with the diversification of water supplies and enhanced supply reliability describing in detail the history of the Water Authority's supply portfolio. She also covered the Water Authority's recent efforts to mitigate the rate and charge increases.

Mr. Shank explained the rate and charge increase key drivers, which were water sales volumes, increased cost of water from suppliers, and planned debt service payment increases and related coverage requirements. He mentioned that water purchases and transportation services from the Metropolitan Water District (MWD) represent the largest share of the Water Authority's cost of water. Ms. Stapleton explained increases associated with the Quantification Settlement Agreement (QSA), the QSA transfer schedule and provided a cost comparison of QSA supplies with MWD supplies. Mr. Shank provided a rate breakdown of the proposed rates and charges increases, debt service schedule and coverage ratio as well as financial performance metrics. Lastly, he explained the impact of rate increases to households and provided a summary

of the presentation. Chair Wight addressed a letter that was sent to the Board of Directors from Olivenhain Municipal Water District regarding financial sustainability of the Water Authority. Director Hogan mentioned that the issues presented in the letter would be discussed in the Fiscal Sustainability Workgroup, which would start up when the newly hired Director of Finance began at the Water Authority. After a brief discussion and questions from Board members, Chair Wight asked again if there were any public speakers who wished to speak for the Public Hearing. There were no members of the public that wished to address the Board.

Director Wornham moved, Director Dion seconded, and the motion passed unanimously to approve the staff recommendation.

### **III. INFORMATION**

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

Ms. Stapleton requested Board members hold the second Thursday of the month on their calendars for Special Board Meetings through October 2012.

Chair Wight thanked Mr. Statler for serving as the Interim Director of Finance, and advised the Board that the new Director would begin on August 6, 2012.

### **IV. CLOSED SESSION**

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

Chair Wight requested Mr. Hentschke take the committee into Closed Session at 10:10 a.m.

Mr. Hentschke brought the Committee out of Closed Session at 11:10 a.m., and announced there was no reportable action.

### **V. ADJOURNMENT**

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

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

Chair Saxod called the Legislation, Conservation and Outreach Committee to order at 11:17 a.m. Committee members present were Chair Saxod, Vice Chairs Hilliker and Jungreis, Directors Boyle, Dailey, Douglas, Miller, Mudd, Sanford, Topolovac, Tu, Weston and Wornham. Committee member absent was Director Croucher. Other Board members present were Directors Arant, Barnum, Bond, Brady, Dion, Heidel, Hogan, Knutson, Lamb, Lewinger, Linden, Pocklington, Saunders, Smith, Steiner, Watton, Williams 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 were General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Director of Public Outreach and Conservation Foster, Public Affairs Supervisor Nenow, Government Relations Manager Volberg and Water Resources Specialist Shumate.

**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 Saxod announced there were a series of co-hosted tours and briefings on climate adaptation for regional business and civic leaders last month at the San Vicente Dam Raise site. These events were conducted in partnership with the San Diego Foundation and the Scripps Institution of Oceanography and were very well attended. In addition, she announced that it was the last Board meeting for Vice Chair Jungreis and thanked him for his service to the Committee.

**DIRECTORS' 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.

Mr. Carpi reported on actions taken by the House and Senate. Mr. Clay reported on the state budget, regional water boards and water bond.

1-B Adopt positions on AB 1095, Delta Reform Act of 2009.

Staff recommendation: Adopt a position of Oppose on AB 1095 (B. Berryhill).

Mr. Volberg reported on the bill. Director Mudd moved, Director Tu seconded, to adopt staff recommendation and the motion passed unanimously to adopt a position of Oppose on AB 1095.

2. Professional services contract with WaterWise Consulting, Inc. for the administration of the Water Authority's Turf Replacement Rebate Program.  
Staff recommendation: Authorize the General Manager to execute a two-year professional services contract with WaterWise Consulting, Inc. to administer the Water Authority's regional Turf Replacement Rebate Program, in an amount not-to-exceed \$1,152,633.

Water Resources Specialist Shumate presented a summary of the program. Director Tu moved, Director Hilliker seconded, to adopt staff recommendation and the motion passed unanimously.

### **III. INFORMATION**

The committee received and filed the following items:

1. Quarterly Water Conservation Garden report.
2. Small Contractor Outreach and Opportunities Program Quarterly report.
3. Quarterly report on Public Outreach and Conservation activities.
4. Government relations update.
5. Status report on legislation and legislative positions.

### **IV. ADJOURNMENT**

There being no further business to come before the Legislation, Conservation and Outreach Committee, Chair Saxod adjourned the meeting at 12:03 p.m.

### **IMPORTED WATER COMMITTEE**

#### **CALL TO ORDER / ROLL CALL**

Chair Watton called the Imported Water Committee meeting to order at 12:04 p.m. Committee members present were Vice Chair Arant and Tu, Directors Barnum, Bond, Brady, Heidel, Knutson, Lewinger, Linden, Steiner, Weston, Wight, and Wilson. Director Morrison was absent. Also present were Directors Boyle, Dailey, Dion, Douglas, Hilliker, Hogan, Jungreis, Lamb, Miller, Mudd, Pocklington, Sanford, Saunders, Saxod, Smith, Topolovac, Williams, 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 included General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and 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 public comments.

## **DIRECTORS' COMMENTS**

There were no comments by Directors.

Chair Watton asked General Counsel Hentschke to take the Committee into closed session. Mr. Hentschke took the Committee into closed session at 12:06 p.m.

## **IV. CLOSED SESSION**

### **1. CLOSED SESSION:**

Conference with Legal Counsel – Existing Litigation  
Government Code §54956.9(a) – SDCWA v Metropolitan Water District of  
Southern California; Case Nos. CPF-10-510830 and BS137830

### **2. CLOSED SESSION:**

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

Conference with Legal Counsel – Existing Litigation  
Government Code §54956.9(a)  
Name of Case: State Water Resources Control Board (SWRCB) Imperial  
Irrigation District and San Diego County Water Authority Joint Petition for  
Modification of Revised Order WRO 2002-0013 (Permit 7643, Application 7482)

Mr. Hentschke brought the Committee out of Closed Session at 12:34 p.m. and stated that there was no reportable action.

## **CHAIR'S REPORT**

Chair Watton announced to reference the Chair's written report for an update on Bay-Delta Economists reports and California Urban Water Agencies' Water Supply Reliability report.

## **I. CONSENT CALENDAR**

There were no items on the consent calendar.

## **II. ACTION/DISCUSSION**

1. Metropolitan Water District Issues and Activities update.  
1-A Metropolitan Water District Delegates report.

Chair Watton announced the full report was available in the Board Supplemental Materials packet.

2. Colorado River Programs.  
2-A Colorado River Board representative's report.

Director Knutson announced that the report was available in the Board Supplemental Materials packet.

### **III. INFORMATION**

The following information items were noted and filed:

1. Bay-Delta update.
2. Metropolitan Water District Program report.

### **V. ADJOURNMENT**

There being no further business to come before the Imported Water Committee, Chair Watton adjourned the meeting at 12:34 p.m.

### **ENGINEERING AND OPERATIONS**

#### **CALL TO ORDER/ROLL CALL**

Chair Knutson called the Engineering and Operations Committee meeting to order at 1:15 p.m. Committee members present were Chair Knutson, Vice Chairs Dailey and Pocklington, Directors Bailey, Barnum, Hogan, Lamb, Lewinger, Miller, Mudd, Saxod, Smith, Williams, and Wilson. The only Committee member absent was Director Morrison. Also present were Directors Bond, Brady, Dion, Douglas, Heidel, Jungreis, Linden, Price, Sanford, Saunders, Topolovac, Watton, Weston, 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 Managers Belock and Kerl, Assistant General Manager Cushman, Director of Engineering Rose, Director of Operations and Maintenance Eaton, Director of Water Resources Weinberg, Engineering Manager Bianes, Senior Engineer Conner, and Financial Planning Manager Shank.

#### **ADDITIONS TO AGENDA**

There were no additions to the agenda.

#### **PUBLIC COMMENT**

Julia Chunn-Heer, Campaign Coordinator for the San Diego Chapter of the Surfrider Foundation spoke on item 1-A on the Water Planning Agenda: Carlsbad Desalination Project. She spoke in opposition of the project. She asked to speak during the Engineering and Operations Committee due to personal time constraints. She submitted a letter from the Surfrider Foundation, San Diego Chapter which was entered into the record.

Livia Borak, of the Coast Law Group requested to speak after staff's presentation of item II-A: Project financing and delivery method for Pipeline 3 Relining for the Carlsbad Desalination project.

### **CHAIR'S REPORT**

Chair Knutson announced that the Water Authority received two more awards. The Construction Management Association of America awarded the Mission Trails Pipeline Tunnel project the Project Achievement Award. The Center for Digital Government awarded the Water Authority the 2012 Best In-House Developed Application for the online water ordering system, developed by the Operations and Maintenance and Administrative Services departments.

### **DIRECTORS' COMMENTS**

There were no Director's comments.

## **II. CONSENT CALENDAR**

1. Construction contract for Pipeline 4 Relining – SR 52 to Lake Murray, with L.H. Woods & Sons, Inc.  
Staff recommendation: Authorize the General Manager to award a construction contract to L.H. Woods & Sons, Inc. in the amount of \$21,190,000 for the Pipeline 4 Relining – SR 52 to Lake Murray.

Director Hogan moved, and Director Dailey seconded, and the motion to approve the staff recommendation passed unanimously.

## **III. ACTION/DISCUSSION**

1. Project financing and delivery method for Pipeline 3 Relining for the Carlsbad Desalination project.  
Staff recommendation:
  1. Direct staff to include the Pipeline 3 relining costs in the overall cost to the Carlsbad desalination project that will be financed as part of the Water Authority's Capital Improvements Program versus funding the project through Poseidon.
  2. Direct staff to use the project delivery method of Design-Bid-Build for the relining of Pipeline 3 from Vallecitos 9 Flow Control Facility to the Twin Oaks Valley Water Treatment Plant.

Mr. Bienes and Mr. Shank provided a presentation including project overview, financing options, project delivery method options, advantages and disadvantages of each option, next steps, and desalination improvements at Twin Oaks Valley Water Treatment Plant.

Livia Borak of Coast Law Group, representing Coastal Environmental Rights Foundation, spoke in opposition of the Carlsbad Desalination project, including the Pipeline 3 Relining.



After the presentation and public speaker, staff responded to questions and comments from the Committee and Board.

Director Pocklington moved, Director Wilson seconded, and the motion to approve the staff recommendation passed unanimously.

### **III. INFORMATION**

1. Presentation and overview of Asset Management – Part 3 – Results of Condition Assessment and Program Future.

Mr. Eaton gave a brief presentation including infrastructure challenge; assessment, monitoring and repair, asset classification; condition matrix; probability of failure; consequence of failure; assessment status; scope of problem; fleet equipment class; and asset management future. After the presentation staff responded to a question from the Committee.

2. Presentation – Update on San Vicente Dam Raise.

Mr. Rose gave a brief presentation on construction progress at the San Vicente Dam Raise project, including contractor's recovery plan, RCC placement, outlet tower, and contractor claims status. After the presentation staff responded to a question from the Board.

### **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 Knutson adjourned the meeting at 2:04 p.m.

### **WATER PLANNING COMMITTEE**

#### **CALL TO ORDER/ROLL CALL**

Chair Dion called the Water Planning Committee Meeting to order at 2:12 p.m. Committee members present were Chair Dion, Vice Chairs Price and Saunders, Directors, Heidel\*, Hogan, Jungreis, Lamb, Linden, Pocklington, Sanford, Steiner, Watton and Williams. Director Boyle was absent. Also present were Directors Bailey, Barnum, Bond, Brady, Dailey, Douglas, Knutson, Lewinger, Miller, Morrison, Saxod, Smith, Topolovac, Weston, Wight, Wilson 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 was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Director of Water Resources Weinberg and Water Resources Managers Purcell and Yamada.

### **PUBLIC COMMENT**

Chair Dion advised there would be public comment for Agenda Item II. 1.

## DIRECTORS' COMMENTS

There were no Directors' comments.

## CHAIR'S REPORT

Chair Dion reported the state had announced there would be a second round of Proposition 84 Implementation Grants for 2013, of which the San Diego region would be eligible for approximately \$10 million for water supply, water quality and habitat protection, and that the Integrated Regional Water Management Group would be working over the next several months to prepare for that round of funding. He advised any Board members with questions contact Ken Weinberg or Toby Roy. Chair Dion stressed the Carlsbad Desalination Project Water Purchase Agreement with Poseidon would be viewed strictly as a potential agreement, adding that several meetings would be scheduled throughout the summer for continued discussion and review.

\*Director Heidel arrived at 2:15 p.m.

## I. CONSENT CALENDAR

1. Agreement for the sale and delivery of water to the United States Forest Service for the San Diego River Gorge Trailhead Improvement Project.  
Staff recommendation: Authorize the General Manager to execute the agreement for the sale and delivery of water to the United States Forest Service for the San Diego River Gorge Trailhead Improvement Project.
  
2. Amend the Professional Services Agreement with Clean Energy Capital for financial advisory services related to the preparation and negotiation of a potential Water Purchase Agreement with Poseidon Resources for desalinated seawater from the Carlsbad Desalination Project.  
Staff recommendation: Approve the seventh amendment to the Professional Services Agreement with Clean Energy Capital and increase the not-to-exceed amount from \$1,402,000 to \$1,822,000 for financial advisory and due diligence services related to the preparation and negotiations of a Water Purchase Agreement with Poseidon Resources. Approve a transfer of \$420,000 from savings in the Colorado River Canal Linings Capital Project to the Carlsbad Desalination Project.

Director Saunders moved, Director Steiner seconded, and the motion passed unanimously to approve the staff recommendations of the Consent Calendar.

## II. ACTION/DISCUSSION

1. Carlsbad Desalination Project.
  - 1-A Incorporation of costs related to Carlsbad Desalinated Water into the Water Authority's rates and charges (Presentation continued from the June 14, 2012 Special Board meeting).

Mr. Weinberg provided a comprehensive report on incorporating the Carlsbad Desalination Project costs into the Water Authority's rates and charges.

Chair Dion called for public comment. Ted Owen, President and CEO of the Carlsbad Chamber of Commerce, spoke in support of the Carlsbad Desalination Project, thanking the Board and Water Authority staff for continued work and thorough due diligence towards diversifying the region's water supply. Julian Medina, Industrial Environmental Association (IEA), provided background information on IEA and encouraged the Board to move forward with the Carlsbad Desalination Project. Livia Borak, Coast Law Group/Coastal Environmental Rights Foundation, raised her concern that the project would become a publicly subsidized project that would profit a private company, and encouraged the Board to assist with public projects such as San Diego's Indirect Potable Reuse (IPR).

Staff responded to comments, questions, suggestions and requests posed by Directors Jungreis, Lewinger, Hogan, Watton, Heidel, Weston, and Saunders following the information presented by Mr. Weinberg. Ms. Stapleton advised that, in order to fully utilize the benefits of the proposed project, each member agency would be asked to consider their reliability and how this project would provide value to their own agency's water supply portfolio.

Mr. Weinberg presented information on a proposed meeting-intensive Board Review Process, which would include Special Board meetings over the next several months, releasing draft contract terms to member agencies for review and input, presenting information to member agency Board meetings, holding community workshops and conducting an evening meeting in North County. Chair Dion thanked staff for all the work being done, and advised the in-depth process would be necessary before any decision was made on the proposed Water Purchase Agreement.

### **III. INFORMATION**

The following item was received and filed:

1. Water Resources Report

### **V. ADJOURNMENT**

Chair Dion adjourned the meeting at 3:16 p.m.

## **FORMAL BOARD OF DIRECTORS' MEETING OF JUNE 28, 2012**

1. **CALL TO ORDER** Chair Hogan called the Formal Board of Directors' meeting to order at 3:25 p.m.
2. **SALUTE TO THE FLAG** Director Weston led the salute to the flag.

3. **ROLL CALL, DETERMINATION OF QUORUM**

Secretary Smith called the roll. Directors present were Bailey, Barnum, Bond, Brady, Dailey, Dion, Douglas, Heidel, Hogan, Jungreis, Knutson, Lewinger, Lamb, Linden, Miller, Morrison, Mudd, Pocklington, Price, Sanford, Saunders, Saxod, Smith, Steiner, Topolovac, Watton, Weston, Williams, Wilson, and Wornham. Directors absent were Arant, Boyle, Croucher, Hilliker, Tu, Wight, and Representative Slater-Price.

3-A **Report on proxies received.** Director Knutson was the proxy for Director Arant and Director Smith was the proxy for Director Hilliker.

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

5. **APPROVAL OF MINUTES** Director Saxod moved, Director Price seconded, and the motion carried at 90.62 % of the vote to approve the minutes of the Formal Board of Directors' meeting of May 24, 2012. Director Douglas abstained.

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 There were no items under this category.

8. **REPORTS BY CHAIRS**

8-A Chair Hogan announced in mid-July the Board Officer nomination form would be sent to the Board members, at the August Board meeting the nominations would be received and the nomination process closed, and at the September meeting the election of the incoming Officers would be conducted.

8-B Report by Committee Chairs.

Administrative and Finance Committee. Director Bond reviewed the meeting and the actions taken.

Legislation, Conservation and Outreach Committee. Director Saxod reviewed the meeting and the actions taken.

Imported Water Committee. Director Watton reviewed the meeting and stated no action was taken.

Engineering and Operations Committee. Director Knutson reviewed the meeting and the actions taken.

Water Planning Committee. Director Dion reviewed the meeting and the actions taken.

9. **CONSENT CALENDAR**

Director Bond moved, Director Miller seconded, and the motion carried at 92.37 % of the vote to approve the consent calendar. Directors voting no or abstaining are listed under the item number.

9- 1. Treasurer's report.

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

9- 2. Purchase Water Authority Business Insurance – Property and Liability Insurance.

The Board authorized the General Manager to purchase property and liability insurance from the Special District Risk Management Authority in the amount of \$653,000 for coverage of the period from July 1, 2012 through June 30, 2013.

9- 3. Discussion and Consideration of the Fiscal Years 2012 and 2013 Mid-Term Budget update.

The Board approved the recommended mid-term budget adjustments.

9- 4. PUBLIC HEARING: Adopt the Water Authority's rates and charges for calendar year 2013 and continue the annual Standby Availability Charge for fiscal year 2012-2013 as currently imposed.

The Board adopted **Ordinance No. 2012-02** an ordinance of the Board of Directors of the San Diego County Water Authority setting rates and charges for the delivery and supply of water, use of facilities and provision of services. The Board adopted **Resolution 2012-06** a resolution of the Board of Directors of the San Diego County Water Authority continuing the Standby Availability Charge.

9- 5. Adopt position on AB 1095, Delta Reform Act of 2009.

The Board adopted a position of Oppose on AB 1095 (B. Berryhill).

9- 6. Professional services contract with WaterWise Consulting, Inc. for the administration of the Water Authority's Turf Replacement Rebate Pro.

The Board authorized the General Manager to execute a two-year professional services contract with WaterWise Consulting, Inc. to administer the Water Authority's regional Turf Replacement Rebate Program, in an amount not-to-exceed \$1,152,633.

9- 7. Construction contract for Pipeline 4 Relining – SR52 to Lake Murray, with L.H. Woods & Sons, Inc.

The Board authorized the General Manager to award a construction contract to L.H. Wood & Sons Inc. in the amount of \$21,190,000 for the Pipeline 4 Relining – SR 52 to Lake Murray.

9- 8. Project financing and delivery method for Pipeline 3 Relining for the Carlsbad Desalination project.

The Board directed staff to include the Pipeline 3 relining costs in the overall cost to the Carlsbad Desalination project that will be financed as part of the Water Authority's Capital Improvements Program versus funding the project through Poseidon. The Board directed staff to use the project delivery method of Design-Bid-Build for the relining of Pipeline 3 from Vallecitos 9 Flow Control Facility to the Twin Oaks Valley Water Treatment Plant.

9- 9. Agreement for the sale and delivery of water to the United States Forest Service for the San Diego River Gorge Trailhead Improvement Project.

The Board authorized the General Manager to execute the agreement for the sale and delivery of water to the United States Forest Service for the San Diego River Gorge Trailhead Improvement Project.

9- 10. Amend the professional services agreement with Clean Energy Capital for financial advisory services related to the preparation and negotiation of a potential Water Purchase Agreement with Poseidon Resources for desalinated seawater from the Carlsbad Desalination Project.

The Board approved the seventh amendment to the professional services agreement with Clean Energy Capital and increased the not-to-exceed amount from \$1,402,000 to \$1,822,000 for financial advisory and due diligence services related to the preparation and negotiation of a Water Purchase Agreement with Poseidon Resources. The Board approved a transfer of \$420,000 from savings in the Colorado River Canal Linings Capital Project to the Carlsbad Desalination Project.

11. **CLOSED SESSION(S)**

11-A **CLOSED SESSION:**

Conference with Labor Negotiator, Government Code §54957.6  
Agency Designated Representatives: Frank Belock; Susan Leone; Richard Bolanos, Liebert Cassidy Whitmore  
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) - SDCWA v Metropolitan Water District of Southern California;  
Case No. CPF-10-510830

11-C CLOSED SESSIONS:

Conference with Legal Counsel – Existing Litigation

Government Code §54956.9(a)

Name of Case: QSA Judicial Council Coordination Proceeding No. 4353

Conference with Legal Counsel - Existing Litigation

Government Code §54956.9(a)

Name of Case: State Water Resources Control Board (SWRCB)Imperial Irrigation District and San Diego County Water Authority

Joint Petition for Modification of Revised Order WRO 2002-0013

(Permit 7643, Application 7482)

11-D CLOSED SESSION:

Public Employee Performance Evaluation

Government Code §54957 - Title: General Counsel

11-E CLOSED SESSION:

Public Employee Performance Evaluation

Government Code §54957 - Title: General Manager

Mr. Hentschke took the Board into Closed Session at 3:35 p.m. Mr. Hentschke brought the Board out of Closed Session at 3:55 p.m. and announced there was no reportable action.

12. **ACTION FOLLOWING CLOSED SESSION**

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 Saunders – No report was given.

SANDAG BORDERS/REGIONAL PLANNING COMMITTEE – Director Saxod announced there was nothing to report.

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 Hogan adjourned the meeting at 3:56 p.m.

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Michael T. Hogan, Chair

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Richard K. Smith, Secretary

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Doria F. Lore, Clerk of the Board