

**MINUTES OF THE FORMAL BOARD OF DIRECTORS' MEETING  
JANUARY 24, 2013**

**ADMINISTRATIVE AND FINANCE COMMITTEE**

**CALL TO ORDER / ROLL CALL**

Chair Saunders called the Administrative and Finance Committee meeting to order at 9:00 a.m. Committee members present were Chair Saunders, Directors Bailey\*, Dailey, Hilliker, Hogan, Lewinger, Sanford\*, Topolovac, Watton\*, Weston, Williams, and Wilson. Committee members absent were Vice Chairs Arant 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. Also present were Directors Boyle, Croucher\*, Douglas, Lamb, Linden, Madaffer, Miller, Murtland, Price, Saxod, Simpson, and Wornham.

Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Director of Finance McCraner, Director of Administrative Services Young, Director of Human Resources Leone, Director of Water Resources Weinberg, Controller Greek, Financial Planning Manager Shank and Financial Resources Manager Celaya. Also present were David Moore with Clean Energy Capital, Jamison Feheley with JP Morgan, and Stephen Spitz with Orrick Herrington & Sutcliffe, LLP.

**ADDITIONS TO AGENDA**

There were no additions to the agenda.

**PUBLIC COMMENT**

There were no public speakers.

**CHAIR'S REPORT**

Chair Saunders announced that he was looking forward to chairing the Administrative and Finance Committee as well as working with the two Vice Chairs during the next term.

Chair Saunders mentioned that development of the Fiscal Years 2014 and 2015 Budget would begin and that a Cost of Service Consultant had been hired to validate the 2014 Rates and Charges. He explained there were two items distributed to the board prior to the meeting, which were the final limited offering memorandum for the Carlsbad desalination bonds; and a revised Budget Calendar to replace page 113 of the board packet.

**DIRECTORS' COMMENTS**

There were no Director's comments.

*\*Director Watton arrived at 9:08 a.m.*

**I. CONSENT CALENDAR**

1. Treasurer's Report.

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

Director Lewinger moved, Director Dailey seconded and the motion passed unanimously to accept staff recommendation.

## II. ACTION/DISCUSSION

1. Authorize the issuance of Senior Lien Water Revenue Refunding Bonds – Series 2013A to refund certain outstanding long-term debt to yield debt service savings.

Staff recommendation:

- (1) Adopt a resolution authorizing the issuance of Senior Lien Water Revenue Refunding Bonds, Series 2013A, for the purpose of refunding certain existing long-term debt; and authorize the Director of Finance to utilize a negotiated method of sale.
- (2) Approve the forms of financing documents for both refunding bond issuances, including the Preliminary Official Statements for the 2013A Bonds.

Mr. Shank provided the Board with a brief presentation on Bonds, describing the recent actions taken and timeframes looking ahead. He also reviewed the low interest rate environment, and provided a 2013A Bonds transaction summary.

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

2. Development of the upcoming Fiscal Years 2014 and 2015 Recommended Budget.

Ms. Stapleton introduced the Fiscal Years 2014 and 2015 budget development process. She explained the overall purpose was to solicit input from the Board on the development of the upcoming multi-year budget.

*\*Director Bailey arrived at 9:15 a.m.*

Ms. Stapleton reviewed the framework in which the current multi-year budget for Fiscal Years 2012 and 2013 was developed and it's highlighted accomplishments. She also reviewed the key factors that would impact the development of the new budget and upcoming key dates for the Board.

*\*Director Sanford arrived at 9:20 a.m.*

In conclusion, Ms. Stapleton requested board feedback and welcomed guidance, questions and comments from the board. There were many comments and recommendations from the Board, in which staff would consider in the budget development process.

## III. INFORMATION

1. Presentation on Desalination Bond pricing and Investor outreach.

Ms. Kerl provided a presentation on Carlsbad Desalination project bond financing overview and water unit price. She covered projected financing and water unit price terms, pre-pricing market conditions, pricing strategy, comparable issues and final pricing.

Jamison Feheley of J.P. Morgan provided an overview of the Series 2012 Water Furnishing Revenue Bonds transaction, investor marketing strategy, and investor participation. He also explained the complexity of the deal, pre-pricing market conditions, final pricing scale, final allotments, and the post-pricing market conditions. Mr. Feheley reviewed the concluding observations of the final pricing.

David Moore of Clean Energy Capital provided a presentation explaining the water unit price reconciliation.

Ms. Kerl thanked the team and opened up to the Board for questions. Chair Saunders and Director Wornham applauded everyone involved in seeing the project to completion.

2. Board of Director's Fourth Quarter 2012 expenses and attendance.
3. Controller's Report.
4. Board Calendar.

#### **IV. CLOSED SESSION**

There were no closed session items.

#### **V. ADJOURNMENT**

There being no further business to come before the Administrative and Finance Committee, Chair Saunders adjourned the meeting at 10:15 a.m.

#### **WATER PLANNING COMMITTEE** **CALL TO ORDER/ROLL CALL**

Chair Weston called the Water Planning Committee Meeting to order at 10:25 a.m. Committee members present were Chair Weston, Vice Chairs Douglas and Watton, Directors Boyle, Brady, Linden, Madaffer, Miller, Murtland, Sanford, Saunders, Saxod and Simpson. Also present were Directors Bailey, Barnum, Croucher, Dailey, Hilliker, Hogan, Lamb, Lewinger, Mudd, Pocklington, Price, Topolovac, Verbeke, Williams, Wilson 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, Water Resources Director Weinberg, Water Resources Managers Purcell and Roy, Engineer Chamberlain, Principal Water Resources Specialist Stadler, Senior Water Resources Specialist Tegio, and Operations and Maintenance Director Eaton.

#### **PUBLIC COMMENT**

There were no public comments.

## **DIRECTORS' COMMENTS**

There were no comments made by Directors.

## **CHAIR'S REPORT**

Chair Weston thanked Committee and Board members for attending the January 10, 2013 workshop on the Climate Action Plan. He reported that construction had begun on the Carlsbad Desalination Project on December 28, 2012, following Poseidon's notice-to-proceed to contractors, and when completed, it would be the largest seawater desalination facility in North America. Chair Weston announced the Committee would conduct several workshops in 2013 on the Regional Water Facilities Optimization and Master Plan Update. He also reported that the Water Authority's Transitional Special Agricultural Water rate (TSAWR) would be available for customers who had participated in MWD's Interim Agricultural Water Program, which terminated at the end of 2012.

### **I. CONSENT CALENDAR**

There were no items for the Consent Calendar.

### **II. ACTION/DISCUSSION**

1. PUBLIC HEARING: Pipeline 3 Relining Project: Sweetwater to Lower Otay segment.

Chair Weston opened the Public Hearing at 10:28 a.m. for receiving public comment on the Draft Mitigated Negative Declaration (MND) for the proposed Pipeline 3 Relining Project - Sweetwater to Lower Otay Segment – in accordance with the California Environmental Quality Act (CEQA). Mr. Tegio presented information on the project background and necessity, location, components and objectives, environmental impacts, administrative actions, and required actions and permits. Staff responded to questions posed by Directors. Chair Weston closed the public hearing at 10:50 a.m., and advised that staff would continue to receive comments up until 5:00 p.m. January 24, 2013.

2. Integrated Regional Water Management Program.
  - 2-A Authorize Submittal of Proposition 84, Round 2, Integrated Regional Water Management Implementation Grant Application.  
Staff recommendation: Adopt Resolution No. 2013-\_\_\_\_\_ authorizing the General Manager to submit a Proposition 84, Round 2, Integrated Regional Water Management Implementation Grant Application.

Ms. Roy provided a presentation on the regional programs recommended by the IRWM Regional Advisory Committee for funding by Proposition 84, Round 2 funding, in the total of \$10.3 million, of which \$.309 million would be allocated to the Water Authority for grant administration. Staff responded to Directors questions and comments.

Director Douglas moved, Director Linden seconded, and the motion to approve staff's recommendation passed unanimously.

**III. INFORMATION**

1. Status report and upcoming activities related to the 2012 Regional Water Facilities Optimization and Master Plan update.

Mr. Chamberlain presented information on the key objectives and the purpose of the Regional Water Facilities Optimization and Master Plan update. Staff responded to questions and comments posed by Directors.

The committee received and filed the following items:

2. Water supply and demand conditions.
3. Water Resources report.

**IV. CLOSED SESSION**

There were no Closed Session items.

**V. ADJOURNMENT**

Chair Weston adjourned the meeting at 11:07 a.m.

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

Chair Saxod called the Imported Water Committee meeting to order at 11:14 a.m. Committee members present were Chair Saxod, Vice Chair Lamb, and Directors Croucher, Hogan, Lewinger, Linden, Pocklington, Price, Wilson, and Wornham. Vice Chair Williams and Directors Arant, Knutson, Muir, and Steiner were absent. Also present were Directors Bailey, Barnum, Boyle, Brady, Dailey, Douglas, Hilliker, Madaffer, Miller, Morrison, Mudd, Saunders, Sanford, Simpson, Topolovac, Verbeke, Watton and Weston. 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, Director of MWD Program Chen, Colorado River Program Director Razak, Government Relations Manager Volberg 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'S REPORT**

Chair Saxod reported the Department of Water Resources had increased the allocation of 2013 State Water Project Table A allocation by 40 percent. Chair Saxod announced Director Knutson's resignation from the Board and thanked him for his service to the Water Authority and as a representative to the Colorado River Board. Chair Saxod advised that on December 12, 2012 the Bureau of Reclamation and the Colorado River Basin States released the Colorado River Supply and Demand Study. She stated Directors Knutson and Watton, along with staff, met with some of the new Imperial Irrigation District Board members during the Colorado River Water Users Association meeting in December, 2012 and asked Director Watton to provide a report on the discussions that took place.

Chair Saxod announced the Bay Delta Conservation Plan (BDCP) was being developed to provide basis for the issuance of endangered species permits for operation of the state and federal water projects, and that Mr. Cushman would provide a presentation on an alternative portfolio-based BDCP concept. In addition, she stated the Department of Water Resources was developing a strategic plan for the future of Integrated Regional Water Management and announced that some member agencies may want to send a representative to attend one of a series of workshops being held. The first workshop would be on Wednesday, April 10, 2013 at a location to be determined.

### **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.

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

- 1-B Southern California's Water Supply Projects.

Senior Water Resource Specialist Espe made a presentation on Southern California's Water Supply.

2. Bay Delta update.
  - 2-A Bay Delta update.

Mr. Volberg provided an update on the Bay Delta Conservation Plan.

- 2-B Presentation on Portfolio Approach to Bay-Delta Conservation Plan.

Mr. Cushman provided a presentation on the Bay-Delta Portfolio-Based Approach Alternative.

### III. INFORMATION

1. Colorado River Basin Water Supply and Demand study.

Ms. Razak made a presentation on the Colorado River Basin Water Supply and Demand study. She stated the full study was available on the Bureau of Reclamation's website.

2. Metropolitan Water District Program report.

Information item was noted and filed.

3. Status of Purchase Order Extension with Metropolitan Water District.

This item was discussed during closed session.

Mr. Hentschke took the Committee into closed session at 12:40 p.m.

### IV. CLOSED SESSION

1. 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)
2. 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 CPF-12-512466

Mr. Hentschke brought the Committee out of Closed Session at 12:53 p.m. and stated there was no reportable action.

### V. ADJOURNMENT

There being no further business to come before the Imported Water Committee, Chair Saxod adjourned the meeting at 12:54 p.m.

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

Chair Topolovac called the Legislation, Conservation and Outreach Committee to order at 1:41 p.m. Committee members present were Chair Topolovac, Vice Chair Madaffer, Directors Barnum, Boyle, Dailey, Douglas, Hilliker, Lamb, Morrison, Muir and Verbeke. Committee

members absent were Vice Chair Croucher, Directors Mudd, Tu and Wight. Other Board members present were Directors Bailey, Brady, Hogan, Lewinger, Linden, Miller, Murtland, Pocklington, Price, Sanford, Saunders, Simpson, Watton, Weston, Williams, 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 were General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Director of Public Outreach and Conservation Foster, Principal Water Resources Specialist Stephenson 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 Topolovac stated the LCO committee was working with staff on the draft LCO Committee Goals which would be brought forward in February for review and comment. He also announced there were legislative roundtables being organized by Water Authority staff for spring, which would give members of the Board the opportunity to meet and get to know the elected representatives in Sacramento and Washington. He also spoke in regards to the upcoming series of San Diego County Garden Friendly Plant Fairs in partnership with Home Depot this spring.

#### **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 legislative issues, and Congress and Senate sworn in during January, 2013. He also reported on the Senate reaching a compromise on filibuster reform and its limits. Mr. Carpi stated that Senator Boxer remained as Chair of the Environment and Public Works Committee and Senator Feinstein remained as Chair of the Appropriations Sub-Committee on Water and Power. He also reported on changes in the cabinet and senior staff levels.



2. Partnership agreement with San Diego Gas & Electric Company for Water and Energy Efficiency Programs.  
Staff recommendation: Authorize the General Manager to execute an agreement with San Diego Gas & Electric Company to implement water and energy efficiency programs.

Principal Water Resource Specialist Stephenson presented on the partnership agreement with San Diego Gas & Electric Company for Water and Energy Efficiency Programs. Director Muir moved, Director Boyle seconded, to adopt staff recommendation and the motion passed unanimously to authorize the General Manager to execute an agreement with San Diego Gas & Electric Company to implement water and energy efficiency programs.

### **III. INFORMATION**

1. Presentation on Online Residential Water Use Calculator.

Water Resources Specialist Shumate presented a preview of the Online Residential Water Use Calculator, showing the ease of use and the information that it provides the consumer regarding their daily water use and how it helped identify water savings opportunities in their homes. The calculators anticipated launch was March 2013.

2. Quarterly Water Conservation Garden Report.

Director Linden explained his new role as the Water Authority's representative on the Water Conservation Garden JPA Board and encouraged the Board members to visit the Garden.

The committee received and filed the following item:

3. Government Relations update.

### **IV. ADJOURNMENT**

There being no further business to come before the Legislation, Conservation and Outreach Committee, Chair Topolovac adjourned the meeting at 2:12 p.m.

### **ENGINEERING AND OPERATIONS COMMITTEE** **CALL TO ORDER / ROLL CALL**

Chair Brady called the Engineering and Operations Committee meeting to order at 2:17 p.m. Committee members present were Chair Brady, Vice Chairs Miller and Pocklington, Directors Bailey, Barnum, Mudd, Murtland, Price, Simpson, Verbeke, and Wornham. Committee members absent were Directors Knutson and Morrison. Also present were Directors Boyle, Dailey, Douglas, Hilliker, Hogan, Lewinger, Linden, Madaffer, Sanford, Saunders, Saxod, Topolovac, Watton, Weston, Williams, and Wilson. 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, Engineering Manager Reed, Engineering Manager Biances, and Water Resources Manager Purcell.

### **ADDITIONS TO AGENDA**

There were no additions to the agenda.

### **PUBLIC COMMENT**

Mo Lahsaie, Environmental Officer with the City of Oceanside Water Utilities Department spoke on item II-4, Gregory Canyon Landfill. He spoke in opposition of the project.

### **CHAIR'S REPORT**

Chair Brady welcomed new committee members, and noted that both Directors Murtland and Verbeke were new to the Water Authority Board.

### **DIRECTORS' COMMENTS**

There were no Directors' comments.

### **I. CONSENT CALENDAR**

1. Professional services contract with LEE & RO, Inc. for design of the Miramar Pump Station Rehabilitation project.  
Staff recommendation: Authorize the General Manager to award a professional services contract in the amount of \$489,832 to LEE & RO, Inc. for the design of the Miramar Pump Station Rehabilitation project.

Vice Chair Pocklington moved, Director Wornham seconded, and the motion to approve staff's recommendation passed unanimously.

### **II. ACTION/DISCUSSION**

1. Project Delivery Work Group Recommendations.  
Work Group Recommendation:
  - During the last half of 2013, provide the E&O Committee a presentation on the Gate Process and how it guides a capital project through the various project phases.
  - Use the Nob Hill project as an example of how the Gate Process works. Provide Gate information at the time of each Board action on the project, and provide information presentations at key gates that don't require Board action.
  - Provide the Board information regarding past project performance (e.g. change orders)

Deputy General Manager Belock gave a presentation including purpose of the work group, procurement methods, project standards, gate process, economic factors affecting bids, overall change orders, and San Diego Regional Construction Procurement Committee objectives.

Vice Chair Pocklington moved, Director Price seconded, and the motion to approve the work group's recommendation passed unanimously.

2. Change Orders to Shimmick/Obayashi Joint Venture for the San Vicente Dam Raise Package 3 – Roller Compacted Concrete Dams and Appurtenant Facilities project.  
Staff recommendation: Accept Shimmick/Obayashi Joint Venture Change Orders 28, 29 and 32 through 36 for a credit of \$65,688; and authorize the General Manager to execute a change order for up to \$500,000 for interim storm water conveyance improvements, increasing the authorized contract amount from \$140,681,794.70 to \$141,116,106.70.

Engineering Manager Reed gave a presentation on the San Vicente Dam Raise project including a construction update, upcoming activities, change orders, marina area interim storm water improvements, and a summary of the construction contract.

Director Wornham moved, Director Price seconded, and the motion to approve staff's recommendation passed unanimously.

3. Design-Build Performance Specification for the San Marcos Vent Desalination Modification project.  
Staff recommendation: Authorize the General Manager to approve the Design-Build performance specification for the San Marcos Vent Desalination Modifications project.

Engineering Manager Bienes gave a presentation on the performance specifications for the San Marcos Vent Desalination Modifications project including background, project purpose and scope, project schedule and cost, procurement method, and performance specification.

Director Mudd moved, Director Barnum seconded, and the motion to approve staff's recommendation passed unanimously.

4. Gregory Canyon Landfill.  
Staff recommendation: Authorize the General Manager to send the U.S. Army Corps of Engineers comments regarding the Draft Environmental Impact Statement for the Gregory Canyon Landfill.

Mr. Belock and Mr. Purcell gave a presentation including history of the project, summary of issues, permits, next steps, legislation, and draft Environmental Impact Study issues and review schedule. Director Mudd requested staff to research and report on the project's \$100 million mitigation policy at a future Board meeting.

Director Wornham moved, Director Price seconded, and the motion to approve staff's recommendation passed unanimously.

**III. INFORMATION**

There were no information items on the agenda.

**IV. CLOSED SESSION**

There were no closed session items on the agenda.

**V. ADJOURNMENT**

There being no further business to come before the Engineering and Operations Committee, Chair Brady adjourned the meeting at 3:32 p.m.

**FORMAL BOARD OF DIRECTORS' MEETING OF JANUARY 24, 2013**

1. **CALL TO ORDER** Chair Wornham called the Formal Board of Directors' meeting to order at 3:42 p.m.

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

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

Secretary Hogan called the roll. Directors present were Bailey, Barnum, Brady, Dailey, Douglas, Hilliker, Hogan, Lamb, Linden, Madaffer, Miller, Mudd, Muir, Murtland, Pocklington, Price, Sanford, Saunders, Saxod, Simpson, Topolovac, Verbeke, Watton, Weston, Williams, Wilson, and Wornham. Directors absent were Arant, Boyle, Croucher, Knutson, Lewinger, Morrison, Steiner, Tu, and Wight.

3-A **Report on proxies received.** Director Douglas was the proxy for Director Boyle, and Director Watton was the proxy for Director Croucher.

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

5. **APPROVAL OF MINUTES** Director Saxod moved, Director Lamb seconded, and the motion carried at 88.17% of the vote to approve the minutes of the Special Board of Directors' meeting of November 8, 2012. Director Pocklington moved, and Director Dailey seconded, and the motion passed at 88.17% of the vote to approve the minutes of the Special Board of Directors' meeting of November 15, 2012 and the Formal Board of Directors' meeting of November 29, 2012.

Director Verbeke abstained on all the November meeting minutes.

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 2013-03 honoring Richard Smith upon his retirement from the Board of Directors.

- 7-B Appointment of Director. DeAna Verbeke representing Helix Water District. Term expires August 18, 2013.
- 7-C Retirement of Director. Adopt Resolution 2013-04 honoring James Bond upon his retirement from the Board of Directors.
- 7-D Appointment of Director. Mark Muir representing San Dieguito Municipal Water District. Term expires December 21, 2014.
- 7-E Reappointment of Director. Reappointment of Frank Hilliker, Lakeside Water District. Term expires January 8, 2019.

Chair Wornham announced the retirements of Directors Smith and Bond. He stated that each Director would be recognized individually with an opportunity to speak to the Board.

He thanked Director Smith for his service over the years. Director Smith requested his following statements be included in the meeting minutes. "It has been my great pleasure to have served on this Board for the last five years alongside committed and dedicated people like all of you. If over those years, I have served the outstanding board team equal to the support, suggestions and intellectual stimulus that each of you have given to me in return, then I will count my years on this board as a success. There are those among you whose personal counsel and support, at various times and for various reasons, provided important advice and perspectives that were greatly appreciated by me. It has also been a privilege to me as a Director, to have been associated with you Maureen, and your outstanding and exceptional management team, both current and recently retired members of Administrative, Operations and Maintenance staff here at the Water Authority, who are in my opinion among the most dedicated, gifted and talented people I have had the pleasure to know, work with, and observe on the job. Whenever I had the chance, over these past five years to personally observe many of you on the job, I have been constantly impressed by the enthusiasm, commitment, and skill you all bring to the job each and every day. You all have exhibited a positive attitude, provided responsive and reliable information and dependable assistance to me as well as this board. Again I want to thank you all, board and staff and I wish you continued success in the future".

Chair Wornham thanked Director Bond for his service. Director Bond expressed his appreciation to the board and staff and welcomed Director Muir back to the Board as his agencies representative.

Chair Wornham introduced and welcomed newly appointed Director Verbeke, representing Helix Water District, and Director Muir, representing San Dieguito Municipal Water District. He also announced the reappointment of Director Hilliker, representing Lakeside Water District.

Director Pocklington moved, Director Mudd seconded, and the motion carried at 91.67% of the vote to adopt Resolution No. 2013-03 and Resolution No. 2013-04 honoring Richard Smith and Jim Bond, upon their retirement from the Board of Directors.

8. **REPORTS BY CHAIRS**

8-A Chairs report: Chair Wornham.

Chair Wornham thanked the Board for their continued support and dedication. He expressed his appreciation for all the time that Directors and Staff dedicated to the desalination project over the previous year. He thanked the newly appointed Officers and Committee Chairs, MWD Delegates, and task force members for their upcoming service. He announced that in an effort to maintain continuity, he would retain the meeting and management structure previously developed by prior Chair Hogan. He further thanked Director Hogan for the leadership he took on the Desalination Project, and acknowledged other key accomplishments achieved during the preceding two years while he served in the capacity of Board Chair.

Chair Wornham reported that twenty-five percent of the current board had served less than a year, and fifty percent of the board had served less than 3 years. He stated that this resulted in a gap of historical knowledge in regards to previous Board actions and Water Authority projects. He announced that over the following 6 months he would be incorporating some remedial water 101, integrating the history of board policies and actions taken, so that Directors would gain a greater understanding of how the board arrived at their current position. He encouraged Directors to ask questions during this process and provide feedback on suggested improvements.

He reviewed newly formed Task Forces, the purpose and scope of each task force, and directors appointed to each. He reminded the board that construction had begun on the Carlsbad Desalination Plant. Further, he reported that presentations had been given at various member agency offices in an attempt to communicate the issues currently facing the Water Authority, and to better inform the public on actions taken. He stated the presentations were similar to the Water Talks presentation held over the previous year.

8-B Report by Committee Chairs.

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

Water Planning Committee. Director Weston reviewed the meeting and the action taken.

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

Legislation, Conservation and Outreach Committee. Director Topolovac reviewed the meeting and the action taken.

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

9. **CONSENT CALENDAR**

Director Linden moved, Director Muir seconded, and the motion carried at 91.67% 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. Authorize the issuance of Senior Lien Water Revenue Refunding Bonds – Series 2013A to refund certain outstanding long-term debt to yield debt service savings.  
The Board adopted **Resolution No. 2013-01** a resolution authorizing the issuance of Senior Lien Water Revenue Refunding Bonds, Series 2013A, for the purpose of refunding certain existing long-term debt; and authorized the Director of Finance to utilize a negotiated method of sale. The Board approved the forms of financing documents for both refunding bond issuances, including the Preliminary Official Statements for the 2013A Bonds.
- 9- 3. Authorize submittal of Proposition 84, Round 2, Integrated Regional Water Management Implementation Grant Application.  
The Board adopted **Resolution No. 2013-02** authorizing the General Manager to submit a Proposition 84, Round 2, Integrated Regional Water Management Implementation Grant Application.
- 9- 4. Partnership agreement with San Diego Gas & Electric Company for Water and Energy Efficiency Programs.  
The Board authorized the General Manager to execute an agreement with San Diego Gas & Electric Company to implement water and energy efficiency programs.
- 9- 5. Professional services contract with LEE & RO, Inc. for design of the Miramar Pump Station Rehabilitation project.  
The Board authorized the General Manager to award a professional services contract in the amount of \$489,832 to LEE & RO, Inc. for the design of the Miramar Pump Station Rehabilitation project.
- 9- 6. Project Delivery Work Group Recommendations.  
The Recommendations were as follows: During the last half of 2013, provide the Engineering & Operations Committee a presentation on the Gate Process and how it guides a capital project through the various project phases. Use the Nob Hill project as an example of how the Gate Process works. Provide Gate information at the time of each Board action on the project, and provide information presentations at key gates that don't require Board action. Provide the Board information regarding past project performance (e.g. change orders).

- 9- 7. Change Orders to Shimmick/Obayashi Joint Venture for the San Vicente Dam Raise Package 3 – Roller Compacted Concrete Dams and Appurtenant Facilities project.

The Board accepted Shimmick/Obayashi Joint Venture Change Orders 28, 29 and 32 through 36 for a credit of \$65,688; and authorized the General Manager to execute a change order for up to \$500,000 for interim storm water conveyance improvements, increasing the authorized contract amount from \$140,681,794.70 to \$141,116,106.70.

- 9- 8. Design-Build Performance Specification for the San Marcos Vent Desalination Modifications project.

The Board authorized the General Manager to approve the Design-Build performance specification for the San Marcos Vent Desalination Modifications project.

- 9- 9. Gregory Canyon Landfill.

The Board authorized the General Manager to send the U.S. Army Corps of Engineers comments regarding the Draft Environmental Impact Statement for the Gregory Canyon Landfill.

10. **ACTION/DISCUSSION**

10-A Election of Vice Chair for January 24, 2013 - September 30, 2014.

The following Board member was nominated: Vice Chair: Mark Weston.

Director Price moved, Director Dailey seconded and the motion carried at 91.67% of the vote approving Director Weston as Vice Chair. Director Weston thanked the Board for the honor of serving as Vice Chair. Chair Wornham announced that due to Director Weston's added responsibilities, changes had been made to the Water Planning Committee structure. He announced that Director Douglas would serve as Chair of the committee, and Director Boyle would serve as Vice Chair.

10-B Recommendation for Appointment of Director Michael T. Hogan as the Representative and Director Bud Pocklington as the Alternate Representative to the Colorado River Board of California.

Adopt Resolution No. 2013-05 a Resolution of the San Diego County Water Authority submitting names and requesting appointment by the Governor of Michael T. Hogan as the Water Authority's Representative and Bud Pocklington as the Water Authority's Alternate Representative to the Colorado River Board of California.

Director Hilliker moved, Director Muir seconded and the motion carried at 91.67% of the vote to adopt Resolution No. 2013-05 approving the appointment of Michael T. Hogan as representative, and Director Pocklington as alternate representative of the San Diego County Water Authority on the Colorado River Board of California.



11. **CLOSED SESSION(S)**

11-A **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-B **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 CPF-12-512466

Mr. Hentschke announced there was no need for a Closed Session on items 11-A and 11-B.

12. **ACTION FOLLOWING CLOSED SESSION** – None.

13. **SPECIAL REPORTS**

13-A GENERAL MANAGER’S REPORT – Ms Stapleton reviewed updates that were made to Directors net-books and announced that instructions would be sent regarding the resulting added functionalities.

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

13-C SANDAG REPORT – Chair Wornham – No report was given.

SANDAG BORDERS/REGIONAL PLANNING COMMITTEE – No report was given.

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

14. **OTHER COMMUNICATIONS** - Director Muir thanked retired Directors Smith and Bond for their service and mentorship over the years, and recognized Director Bonds wife for her behind the scenes support and encouragement.

15. **ADJOURNMENT**

There being no further business to come before the Board, Chair Wornham adjourned the meeting at 4:12 p.m.

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Thomas V. Wornham, Chair

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Michael T. Hogan, Secretary

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Doria F. Lore, Clerk of the Board