

**MINUTES OF THE FORMAL BOARD OF DIRECTORS' MEETING
MAY 23, 2013**

ENGINEERING AND OPERATIONS COMMITTEE

CALL TO ORDER / ROLL CALL

Chair Brady called the Engineering and Operations Committee meeting to order at 9:00 a.m. Committee members present were Chair Brady, Vice Chair Pocklington, Directors Murtland, and Verbeke. Chair Brady appointed Directors Wilson, Hogan, and Weston to the Committee to obtain a quorum of the Committee. Also present were Directors Topolovac, Saxod, Williams, Steiner, Hilliker, Evans, Madaffer, Kern, Linden, and Arant. Director Simpson arrived at 9:03 a.m., Director Watkins arrived at 9:06 a.m., and Director Barnum arrived at 9:11 a.m. at which time the Engineering and Operations Committee obtained a quorum without the need for the substitute Directors. Only the committee members participated in the vote.

Committee members arriving after the vote were Directors Wornham (9:20 a.m.), Bailey (9:25 a.m.), and Tu (9:55 a.m.). Vice Chair Miller, Director Morrison, and Director Mudd were absent.

Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Deputy General Counsel Gallien, Director of Engineering Rose, Director of Operations and Maintenance Eaton, Engineering Manager Reed, Operations and Maintenance Manager Faber, Engineering Manager Bianes, Right of Way Manager Kross, Senior Engineer Kavanagh, and Senior Right of Way Agent von Gymnich.

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

Chair Brady announced that the Pipelines 3 and 4 Relining Miramar Hill to Scripps Ranch project received two awards from local construction management and public works associations. The Construction Management Association of America presented the project with an Award of Excellence in the Public Works greater than \$15 million category; and the American Public Works Association presented the Project of the Year award in the utilities \$6 to \$25 million category.

DIRECTORS' COMMENTS

There were no Directors' comments.

I. CONSENT CALENDAR

There were no Consent Calendar items on the agenda.

II. ACTION/DISCUSSION

1. Pipeline 3 Relining – Sweetwater to Lower Otay Reservoir project.
 - 1-A Advertisement for bids for Pipeline 3 Relining – Sweetwater to Lower Otay Reservoir project.
 - 1-B Agreement with San Diego Gas and Electric for relocation of a 4-inch high pressure gas line near the Pipeline 3 Relining – Sweetwater to Lower Otay Reservoir project.

Staff recommendation: Authorize the General Manager to execute an agreement with San Diego Gas and Electric, up to the amount of \$1,250,000 for the relocation of a 4-inch high pressure gas line located near the Pipeline 3 Relining – Sweetwater to Lower Otay Reservoir project.

Ms. Kavanagh began the presentation regarding advertising for bids on the project including an overview of the project, location, schedule, and construction cost estimate. Mr. von Gymnich continued the presentation with information regarding the agreement to move the 4-inch gas pipeline due to high safety risk including portal locations, typical portal excavation, and proximity to the existing gas line. He noted that staff was able to negotiate a \$200,000 reduction in the cost for relocating the gas line after the board memo was prepared, reducing the amount of the agreement to \$1,050,000; instead of the \$1,250,000 documented in the board memo.

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

2. Twin Oaks Valley Water Treatment Plant Expanded Service Area.

Mr. Rose gave a presentation including an overview of the three phases of the project of which the first phase (meter turndown) was complete, current Valley Center Pump Station operations, expanded pump station operations, possible system upgrades, project budget and return on investment, and planning phase deliverables.

III. INFORMATION

1. Presentation – Update on the San Vicente Dam Raise project.

Mr. Reed gave a presentation including the downstream step repair, upstream liner installation, low level outlet gate structure, outlet tower and gates, outlet works, plunger and gate valve installation, 108-inch valve installation, schedule update, and upcoming activities.

2. Presentation on Energy Audit and process.

Mr. Belock began with an explanation of the relationship between the Climate Action Plan and the Energy Strategy. Mr. Eaton continued the presentation including aqueduct system energy use, Water Authority energy use in fiscal years 2011 and 2012, energy rate alternatives and schedules, energy audit summary report and process, energy use at various Water Authority

facilities, energy generation, and conservation opportunities. Mr. Belock continued with information regarding the energy management report, sustainability strategic plan, Regional Water Facilities Optimization and Master Plan update, climate action plan, and schedule. Director Weston suggested it would be interesting for the Water Authority to obtain energy use data from its member agencies for comparison.

IV. CLOSED SESSION

Mr. Hentschke took the committee into closed session at 10:00 a.m.

1. Conference with Real Property Negotiator
Government Code § 54956.8
Property: Desalination Project Right of Way
Agency Negotiators: Daniel S. Hentschke, Frank Belock, Bill Rose, John Kross
Negotiating Parties:
Choi – APN 178-170-11
Bachman/Merriam – APNs 178-170-09, 178-080-33, 178-170-08, 178-080-33
Meng – APN 181-072-06
Schroder – APN 181-180-80
Chamanara – APN 184-102-11
Karimi – APN 184-102-08
Tarman – APN 184-102-46
Vista San Marcos LTD – APNs 184-101-14, 184-241-05
Rancho Santalina LLC – APN 184-241-03
KB Home Coastal INC – APNs 281-371-04, 218-650-48
Matias – APN 218-381-04
Richard & Melissa Buz – APN 218-381-04
James Taylor – APN 219-352-17
Delgado – APN 219-352-16
Richardson – APN 219-352-01
Movement Church – APNs 219-116-21, 219-116-22
Under Negotiation: Price and Terms of Acquisition

Mr. Hentschke brought the committee out of Closed Session at 10:09 a.m. and announced that there were no reportable actions.

V. ADJOURNMENT

There being no further business to come before the Engineering and Operations Committee, Chair Brady adjourned the meeting at 10:09 a.m.

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

Chair Saxod called the Imported Water Committee meeting to order at 10:20 a.m. Committee members present were Vice Chairs Muir and Williams, Directors Arant, Croucher*, Evans*, Hogan, Linden, Steiner, Watkins, Wilson, and Wornham. Directors Lewinger and

Pocklington were absent. Also present were Directors Bailey, Barnum, Brady, Gallo, Hilliker, Kern, Madaffer, Morrison, Mudd, Murtland, Sanford, Simpson, Topolovac, Tu, Verbeke, Weston and Morrison. 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, and others.

*Director Evans and Croucher arrived at 10:21 a.m. and 10:34 a.m., respectively.

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 announced that Dr. Gerald Meral, Deputy Secretary of California Natural Resources Agency would provide an update to the committee on the Bay Delta Conservation Plan. She reported that Anne Castle Assistant Secretary for Water and Science, and Mike Conner Bureau of Reclamation Commissioner, along with representatives from the Seven Basin States; Ten Tribes Partnership and other conservation organizations, would officially kick-off discussions on the Colorado River Basin Water Supply and Demand Study on May 28, 2013. Following the kick-off event, workgroups would meet again on May 29, 2013 to begin Phase 1 of the process, which included verifying potential strategies for water conservation, reuse, transfers, and healthy river flows. Staff would continue to cover this and related issues and report back to the committee.

I. CONSENT CALENDAR

There were no items on the consent calendar.

II. ACTION/DISCUSSION

1. Bay Delta.
 - 1-A Bay Delta Conservation Plan update.

Ms. Stapleton provided an overview of Bay-Delta issues and Ms. Chen presented on the board adopted Bay Delta policy principles and Portfolio Alternative.

- 1-B Presentation on Bay Delta Conservation Plan by Dr. Gerald Meral, California Natural Resources Agency Deputy Secretary.

Dr. Meral made an oral presentation on the Bay Delta Conservation Plan. Following his presentation, Directors asked questions and made comments.

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

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

- 2-B Financial review of MWD's mid-term biennial budget.

This item was continued to the June 27, 2013 board meeting.

III. INFORMATION

The following information item was noted and filed:

1. Metropolitan Water District Program report.

Mr. Hentschke took the Committee into closed session at 11:40 a.m.

IV. CLOSED SESSION

1. CLOSED SESSION:
Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
Name of Case: QSA Judicial Council Coordination Proceeding No. 4353

Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
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(d)(1)
SDCWA v Metropolitan Water District of Southern California; Case Nos. CPF-
10-510830 and CPF-12-512466
3. CLOSED SESSION:
Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(a) – SDCWA v City of Los Angeles Department of
Water and Power; Case No. BS136663

4. **CLOSED SESSION:**
Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(a) – SDCWA v Eastern Municipal Water District;
Riverside Superior Court Case No. RIC1300887

Mr. Hentschke brought the Committee out of Closed Session at 12:32 p.m. and reported that the Committee made a recommendation to the board to authorize the General Counsel to amend the agreements for discovery services with TERIS and Essential Discovery to increase the not-to-exceed contract amounts by \$50,000 each.

V. ADJOURNMENT

There being no further business to come before the Imported Water Committee, Chair Saxod adjourned the meeting at 12:32 p.m.

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

Chair Topolovac called the Legislation, Conservation and Outreach Committee to order at 1:15 p.m. Committee members present were Chair Topolovac, Vice Chairs Croucher and Madaffer, and Directors Barnum, Douglas, Evans, Gallo, Hilliker, Kern, Mudd, Muir, Saxod, and Verbeke. Committee members absent were Directors Morrison and Wight. Other Board members present were Directors Arant, Bailey, Brady, Hogan, Linden, Murtland, Sanford, Saunders, Simpson, Steiner, Tu, Watkins, 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, Water Resources Specialist Mooney and Management Analyst Schnell.

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 thanked everyone who attended the special LCO committee meeting at the Water Conservation Garden on May 2, 2013 and the Legislative Roundtable on May 1, 2013. He announced the next SCOOP Committee meeting would be held June 4, 2013. He reported that the 2011 Annual Report, themed "WaterSmart – Embracing the New Normal," had received an Award of Merit from the International Association of Business Communicators.

DIRECTORS' COMMENTS

There were no comments by Directors.

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. Clay reported on legislative issues. He announced SB 322 by Senator Hueso, relating to the California Department of Public Health and recycled water, had cleared its first policy committee and fiscal committee hearings and was now moving to the Senate floor.

Mr. Clay asked the Board to review SB 750 related to sub-metering. He announced Lorena Gonzalez had filled Senator Hueso's Assembly seat. He also stated that Legislature was closing the budget subcommittee hearings and the budget was expected to be complete by June 15, 2013.

Mr. Carpi reported on issues in Washington. He reported on the continuing issue of budget deficit and national debt and how it was impacting the U.S. economy. He stated that the federal deficit was only two-thirds of what it was last year at this time and added that it was the lowest it had been in this president's term. He reported that the Water Resources Development Act passed the Senate, as a provision to a bill called the "Water Infrastructure Financing and Innovation Act", which provided financing for public water facilities.

Mr. Carpi also commented on a letter written by Senator Feinstein, which was signed by 12 members of the House of Representatives, expressing strong support for the Bay Delta Conservation Plan.

1-B Adopt priorities for the renegotiation of a water bond.

Staff recommendation: Adopt priorities for the renegotiation of a water bond.

Ms. Schnell presented on the water bond, summarizing history and provisions of the water bond measure.

Director Saxod moved, Director Barnum seconded, to adopt staff recommendation and the motion passed unanimously to adopt priorities for the renegotiation of a water bond.

1-C Adopt positions on various state bills.

Staff recommendation:

1. Adopt a position of Support on AB 71 (Perez).
2. Adopt a position of Oppose unless amended on AB 147 (Perez).
3. Adopt a position of Support on AB 1096 (Nestande, Perez).

Ms. Schnell presented a summary on staff recommendations of positions on AB 71, AB 147 and AB 1096.

Director Douglas moved, Director Croucher seconded, to adopt staff recommendation and the motion passed unanimously to adopt positions on the state bills.

III. INFORMATION

1. Presentation on value of water communications.

Mr. Foster presented an update on the Water Authority's efforts to communicate issues related to the value of water. He provided background on the meaning of value of water and provided the board with information on how that message was being implemented in outreach efforts, and future plans on how to best communicate that message to ratepayers.

2. Presentation on New "Homeowner's E-Guide to a WaterSmart Lifestyle".

Ms. Mooney provided a preview of the new "Homeowner's E-Guide to a WaterSmart Lifestyle." She displayed several sample pages from the online guide and announced that the guide would launch in June 2013.

3. Quarterly Water Conservation Garden report.

Director Linden announced that the new Butterfly Pavilion was currently under construction and encouraged Board members to join the Water Conservation Garden.

The committee received and filed the following items:

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 Topolovac adjourned the meeting at 2:12 p.m.

ADMINISTRATIVE AND FINANCE COMMITTEE **CALL TO ORDER / ROLL CALL**

Chair Saunders called the Administrative and Finance Committee meeting to order at 2:20 p.m. Committee members present were Vice Chairs Arant and Wight, Directors Bailey, Gallo, Hilliker, Hogan, Sanford, Topolovac, Weston, Williams, and Wilson. Committee member absent was Lewinger. At that time, there was a quorum of the Board, however only Committee members participated in the vote. Also present were Directors Barnum, Brady, Croucher, Douglas, Evans, Kern, Linden, Madaffer, Mudd, Muir, Murtland, Saxod, Simpson, Steiner, Tu, Verbeke, Watkins 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, Financial Planning Manager Shank and Financial Resources Manager Celaya. Also present was Robert Grantham from Carollo Engineers, Inc.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

There were no public speakers.

CHAIR'S REPORT

Chair Saunders congratulated the Finance Department on receiving the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers' Association for the fiscal year ended June 30, 2012 Comprehensive Annual Financial Report.

DIRECTORS' COMMENTS

There were no Director's comments.

I. CONSENT CALENDAR

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

Director Hogan moved, Director Wilson seconded and the motion passed unanimously.

II. ACTION/DISCUSSION

1. Presentation of General Manager's Recommended Budget for Fiscal Years 2014 and 2015 for review by the Administrative and Finance Committee and the Board of Directors.

Ms. Stapleton presented an overview of the Fiscal Years 2014 and 2015 budget. She began with a review of the Water Authority's historical background on spending, water sales, staffing, and significant milestones. She continued her review focusing on improvements and efficiencies, and highlighted the environment and economy in the more recent years.

Ms. Stapleton explained how to navigate the budget document and reviewed objectives and a summary of each section, which were General Manager's Budget Message, Financial Summaries, Sources and Uses, Operating Departments, and Capital Improvement Program.

Ms. Stapleton covered upcoming CIP spending, debt service coverage ratio, key focus areas and ways to continue improving. She concluded by announcing dates of the upcoming Budget Hearings as June 11 and 13, 2013.

Director Wight asked if Board members should send pertinent questions prior to the budget hearings. Ms. Stapleton responded that all questions should be sent to Ms. Kerl so they could be addressed at the hearings.

2. Cost of Service Study Phase I and Calendar Year 2014 rates and charges.
2-A Presentation on final results of Cost of Service Study Phase I.

Ms. McCraner began with a review of the various informational meetings held since January, 2013 on discussions, key dates, and timelines of the Cost of Service Study. She then introduced Robert Grantham of Carollo Engineers, Inc., to provide the Board with an overview of study results.

Mr. Grantham covered cost of service review process, key governing board policies, legal requirements, rate definitions, and the calendar year 2014 rate and charge calculation process. He explained the components of the calculation process, which included revenue requirement analysis, functional allocation by rate category, water rates and charges, and member agency allocation.

The Board had several questions, comments and recommendations.

2-B Recommendation Calendar Year 2014 rates and charges.

Mr. Shank began with the history of rate increases and continued with a review of the Calendar Year 2014 rate and charge drivers, which were: scheduled increases in IID water prices; MWD treatment costs; and, achieving financial policies.

Mr. Shank explained the proposed rates and charges, debt service coverage ratio, financial performance metrics, and the impact of the rate increase on a monthly residential bill. He stated the overall rate and charge increase would vary by member agency depending upon fixed charge allocations. He also reviewed the rate and charge calendar and announced there would be a public hearing held during the June 27, 2013 board meeting.

The Board had several questions, comments and recommendations.

2-C Resolution setting a Public Hearing date for the Water Authority's proposed calendar year 2014 rate and charge increases, system capacity charge increase and water treatment capacity charge decrease.
Staff recommendation: Adopt Resolution No. 2013-___ setting the time and place for a public hearing on June 27, 2013 at 1:00 p.m., or as soon thereafter as may practicably be heard during the Administrative and Finance Committee meeting to receive comments regarding proposed rates and charges to be effective January 1, 2014.

Director Gallo moved, Director Williams seconded and the motion passed unanimously to adopt the resolution.

III. INFORMATION

1. Controller's Report.
2. Board Calendar.

IV. CLOSED SESSION

There was no closed session this month.

V. ADJOURNMENT

There being no further business to come before the Administrative and Finance Committee, Chair Saunders adjourned the meeting at 3:55 p.m.

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

Chair Douglas called the Water Planning Committee Meeting to order at 3:56 p.m. Committee members present were Chair Douglas, Vice Chair Tu, Directors Brady, Kern, Linden, Madaffer, Miller, Murland, Sanford, Saunders, Simpson, Steiner and Weston. Absent was Vice Chair Watton. Also present were Directors Arant, Bailey, Barnum, Croucher, Evans, Gallo, Hilliker, Hogan, Muir, Saxod, Topolovac, Verbeke, 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 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 Yamada, Principal Engineer Chamberlain and Senior Water Resources Specialists Dobalian and Tegio.

PUBLIC COMMENT

There were no public comments.

DIRECTORS' COMMENTS

There were no comments made by Directors.

CHAIR'S REPORT

Chair Douglas thanked those who attended the Special Water Planning Committee Meeting on May 16, 2013. She reported that the required 30-day public scoping comment period for the Master Plan Update and Climate Action Plan Program Environmental Impact Report (PEIR) ended on May 18, 2013. She stated that the Water Authority had received three comment letters which staff would provide an informational item on at a future meeting.

I. CONSENT CALENDAR

1. Professional services contract to AECOM Technical Services, Inc. to provide as-needed Environmental Consulting Services for a four-year period in an amount not-to-exceed \$2,000,000.
Staff recommendation: Authorize execution of a professional services agreement with AECOM Technical Services, Inc., to provide as-needed Environmental Consulting Services for four years in an amount not to exceed \$2,000,000.

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

II. ACTION/DISCUSSION

The following item was continued to the June 27, 2013 Water Planning Committee meeting:

1. Master Plan status report.
 - 1-A Presentation on the May 16, 2013 Water Planning Committee workshop developments of a draft Water Facilities Optimization and Master Plan.

III. INFORMATION

The following item was continued to the July 25, 2013 Water Planning Committee meeting: scheduled for May 23, 2013:

1. Presentation on North City Water Reclamation Plant Demonstration Project and the City's next steps on Indirect and Direct Potable Reuse.
2. Presentation on Water Supply and Demand Conditions.

Ms. Dobalian provided a presentation on State Water Project conditions, Colorado River supply conditions, MWD storage reservoir levels and local surface area conditions. Director Wornham requested information on how the data presented would compare statistically to data at the time of implementing the 20-Gallon Challenge.

The following report was received and filed:

3. Water Resources report.

IV. CLOSED SESSION

There were no Closed Session items.

V. ADJOURNMENT

Chair Douglas adjourned the meeting at 4:05 p.m.

FORMAL BOARD OF DIRECTORS' MEETING OF MAY 23, 2013

1. **CALL TO ORDER** Chair Wornham called the Formal Board of Directors' meeting to order at 4:10 p.m.
2. **SALUTE TO THE FLAG** Director Tu led the salute to the flag.
3. **ROLL CALL, DETERMINATION OF QUORUM**
Secretary Hogan called the roll. Directors present were Arant, Bailey, Brady, Croucher, Douglas, Evans, Gallo, Hilliker, Hogan, Kern, Madaffer, Mudd, Muir, Murtland, Sanford, Saunders, Saxod, Steiner, Topolovac, Tu, Verbeke, Weston, Wight, Williams, Wilson, Wornham, and Representative Roberts. Directors absent were Barnum(p), Lewinger(p), Linden, Miller(p), Morrison, Pocklington, Price, Simpson, Watkins, and Watton.

3-A **Report on proxies received.** Director Arant was the proxy for Director Miller, Director Douglas was the proxy for Director Lewinger, and Director Weston was the proxy for Director Barnum.

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

5. **APPROVAL OF MINUTES**

Director Saxod moved, Director Muir seconded, and the motion carried at 86.55% of the vote to approve the minutes of the Special meeting of the Engineering & Operations Committee on April 11, 2013 and the Formal Board of Directors' meeting of April 25, 2013. Director Gallo 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.

13. **SPECIAL REPORTS**

Chair Wornham requested the Audit Committee Report, agenda item 13-A be given out of order.

13-A **AUDIT COMMITTEE REPORT** - Audit Committee Chair Sanford reported that the audit was in process. He announced that the committee had met with staff and auditors and decided to continue an independent meeting with auditors without the presence of staff. He encouraged board members to submit ideas and concerns regarding the audit to any member of the audit committee.

Director Mudd acknowledged Senior Water Resources Specialist Espe and Management Analyst Schnell for providing a safe, efficient, and informative inspection tour including a visit to Hoover Dam, Copper Basin, Diamond Valley Lake, and other landmarks with the tour concluding at San Vicente Dam. He stated that all attendees of the tour gained a greater understanding of San Diego's regional water.

7. **PRESENTATIONS AND PUBLIC HEARINGS**

7-A **Retirement of Director.** Adopt Resolution 2013-13 honoring Marilyn Dailey upon her retirement from the Board of Directors.

7-B **Appointment of Director.** Ed Gallo representing the city of Escondido. Term expires October 18, 2016.

7-C Recognition of Don Chadwick, Senior Water Resources Specialist, Employee of the 3rd Quarter.

Director Hilliker moved, Director Croucher seconded, and the motion carried at 90.03% of the vote to adopt Resolution No. 2013-13 honoring Marilyn Dailey upon her retirement from the Board of Directors.

Chair Wornham announced the appointment of Director Ed Gallo and welcomed him to the Board.

Chair Wornham and General Manager Stapleton recognized Don Chadwick as the employee of the 3rd quarter.

8. **REPORTS BY CHAIRS**

8-A Chairs report: Chair Wornham reported that the legislative roundtable with Scott Peters on May 1, 2013 was a success and thanked all who attended.

He reminded the Board of the upcoming Desalination Celebration on June 6, 2013 and encouraged board members to attend. The event was being organized to celebrate the completion of the water purchase agreement and beginning of construction on the plant and pipeline.

8-B Report by Committee Chairs.

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

Imported Water Committee. Director Saxod reviewed the meeting and the action taken.

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

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

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

9. **CONSENT CALENDAR**

Director Weston moved, Director Douglas seconded, and the motion carried at 90.03% of the vote to approve the consent calendar. Directors voting no or abstaining are listed under the item number.

9- 1. Agreement with San Diego Gas and Electric for relocation of a 4-inch high pressure gas line near the Pipeline 3 Relining – Sweetwater to Lower Otay Reservoir project.
The Board authorized the General Manager to execute an agreement with San Diego Gas and Electric up to the amount of \$1,250,000 for the relocation of a 4-inch high pressure gas line located near the Pipeline 3 Relining – Sweetwater to Lower Otay Reservoir project.

9- 2. Adopt priorities for the renegotiation of a water bond.
The Board adopted priorities for the renegotiation of a water bond.

- 9- 3. The Board Adopted positions on various state bills.
1. Adopted a position of Support on AB 71 (Perez)
2. Adopted a position of Oppose unless amended on AB 147 (Perez)
3. Adopted a position of Support on AB 1096 (Nestande, Perez)
- 9- 4. Treasurer's report.
The Board noted and filed the monthly Treasurer's report.
- 9- 5. Resolution setting a Public Hearing date for the Water Authority's proposed calendar year 2014 Rate and Charge increases, System Capacity Charge increase and Water Treatment Capacity Charge decrease.
The Board adopted **Resolution No. 2013- 12** setting the time and place for a public hearing on June 27, 2013, at 1:00 p.m., or as soon thereafter as may practicably be heard, during the Administrative and Finance Committee meeting, to receive comments regarding proposed rates and charges to be effective January 1, 2014.
- 9- 6. Professional services contract to AECOM Technical Services, Inc. to provide as-needed Environmental Consulting Services for a four-year period in an amount not-to-exceed \$2,000,000.
The Board authorized execution of a professional services agreement with AECOM Technical Services, Inc. to provide as-needed Environmental Consulting Services for four years in an amount not-to- exceed \$2,000,000.
- 9- 7. CLOSED SESSION: The Board authorized the General Counsel to amend the agreements for discovery services with TERIS and Essential Discovery to increase the not-to-exceed contract amounts by \$50,000 each.
10. **ACTION/DISCUSSION**
There were no Action/Discussion items.

11. **CLOSED SESSION(S)**

11-A **CLOSED SESSION:**

Conference with Real Property Negotiator
Government Code §54956.8
Property: Desalination Project Right of Way
Agency Negotiators: Daniel S. Hentschke, Frank Belock, Bill Rose, John Kross
Negotiating Parties:
Choi - APN 178-170-11
Bachman/Merriam - APNs 178-170-08, 178-080-33, 178-170-08, 178-080-33
Meng - APN 181-072-06
Schroder - APN 181-180-80
Chamanara - APN 184-102-11
Karimi - APN 184-102-08
Tarman - APN 184-102-46
Vista San Marcos LTD - APNs 184-101-14, 184-241-05
Rancho Santalina LLC - APN 184-241-03
KB Home Coastal INC - APNs 218-371-04, 218-650-48
Matias - APN 218-381-04
Richard & Melissa Buz - APN 218-381-04
James Taylor - APN 219-352-17
Delgado - APN 219-352-16
Richardson - APN 219-352-01
Movement Church - APNs 219-116-21, 219-116-22
Under Negotiation: Price and Terms of Acquisition

11-B **CLOSED SESSIONS:**

Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
Name of Case: QSA Judicial Council Coordination Proceeding No. 4353

Conference with Legal Counsel - Existing Litigation
Government Code §54956.9(d)(1)
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-C **CLOSED SESSION:**

Conference with Legal Counsel - Existing Litigation
Government Code §54956.9(d)(1)
SDCWA v Metropolitan Water District of Southern California;
Case Nos. CPF-10-510830 and CPF-12-512466

- 11-D **CLOSED SESSION:**
Conference with Legal Counsel - Existing Litigation
Government Code §54956.9(d)(1) -
SDCWA v City of Los Angeles Department of Water and Power;
Case No. BS136663
- 11-E **CLOSED SESSION:**
Conference with Legal Counsel - Existing Litigation
Government Code §54956.9(d)(1) -
SDCWA v Eastern Municipal Water District;
Riverside Superior Court Case No. RIC1300887

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

12. **ACTION FOLLOWING CLOSED SESSION** – None.
13. **SPECIAL REPORTS**
- 13-B GENERAL MANAGER’S REPORT – No report was given.
- 13-C GENERAL COUNSEL’S REPORT – No report was given.
- 13-D SANDAG REPORT – Chair Wornham reported SANDAG was continuing efforts on the “San Diego Forward” campaign with final direction expected to be released by mid-year. SANDAG Subcommittee: Borders/Regional Planning Committee – No report was given.
- 13-E AB 1234 Compliance Reports – No reports were given.
14. **OTHER COMMUNICATIONS** - There were no other communications.
15. **ADJOURNMENT**
There being no further business to come before the Board, Chair Wornham adjourned the meeting at 4:20 p.m.

Thomas V. Wornham, Chair

Michael T. Hogan, Secretary

Doria F. Lore, Clerk of the Board