

**MINUTES OF THE FORMAL BOARD OF DIRECTORS' MEETING
SEPTEMBER 26, 2013**

ADMINISTRATIVE AND FINANCE COMMITTEE

CALL TO ORDER / ROLL CALL

Chair Saunders called the Administrative and Finance Committee meeting to order at 8:05 a.m. Committee members present was Chair Saunders, Directors Gallo, Hogan, Lewinger, Topolovac, Weston, Williams and Wilson. Committee members absent were Vice Chairs Arant and Wight, Directors Hilliker, Sanford and Watton. Also present were Directors Barnum, Brady, Kern, Madaffer, Olson, and Verbeke. At that time, there was a quorum of the Committee.

Staff present was General Counsel Hentschke, Deputy General Managers Belock and Kerl, Director of Finance/Treasurer McCraner, Director of Administrative Services Young, and Controller Greek.

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 Saunders announced the General Manager's Adopted Multi-Year Budget for Fiscal Years 2014 and 2015 would be posted on the Water Authority's website by the end of day, and hard copies would be distributed at the October 24, 2013 Board meeting. He asked if Directors preferred a CD or website link only to let Ms. McCraner know so she could reduce the number of print versions.

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 Lewinger moved, Director Hogan seconded, and the motion passed unanimously to approve the Treasurer's Report.

II. ACTION/DISCUSSION

1. Fiscal Sustainability update.

Director Barnum gave the Board a brief update on the Fiscal Sustainability Task Force meeting held on September 6, 2013. He reported that the Committee's primary focus was the guiding principles, which included several concepts related to credit ratings, cost of service principles, equity to member agencies and legal requirements to name a few. He also explained

that they discussed emerging issues to identify those which would have the biggest impact along with peaking issues.

Chair Barnum announced the Task Force would be meeting two times during October and a Special Board Meeting would be held on November 14, 2013 to conduct a workshop on fiscal sustainability.

III. INFORMATION

The following items were noted and filed:

1. Controller's report on monthly financial statements.
2. Report on purchase orders and contracts for goods and services above \$10,000 awarded between July 1, 2012 and June 30, 2013.
3. 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 8:15 a.m.

ENGINEERING AND OPERATIONS COMMITTEE

CALL TO ORDER / ROLL CALL

Chair Brady called the Engineering and Operations Committee meeting to order at 8:25 a.m. Committee members present were Chair Brady, and Directors Barnum, Murtland, Olson, Verbeke, and Watkins. Committee members absent were Vice Chair Miller, Directors Morrison, Murtland, and Tu. Also present were Directors Evans, Gallo, Hilliker, Kern, Hogan, Lewinger, Madaffer, Saunders, Steiner, Topolovac, Weston, Williams, and Wilson. Chair Brady appointed Directors Hogan, Weston, and Wilson to the Committee to obtain a quorum.

Vice Chair Pocklington arrived at 8:30 a.m., Director Simpson arrived at 8:35 a.m., Director Wornham arrived at 8:41 a.m., and Director Mudd arrived at 9:05 a.m. All of these committee members arrived after the vote for the Consent Calendar item but before the vote on the Action/Discussion items. The committee obtained a quorum at that time and substitute Directors did not participate in the vote on Action/Discussion items.

Staff present was General Manager Stapleton, Assistant General Manager Cushman, Deputy General Managers Belock and Kerl, General Counsel Hentschke, Director of Operations and Maintenance Eaton, Director of Engineering Rose, Deputy General Counsel Gallien, Engineering Manager Reed, Right of Way Manager Kross, Engineering Manager Bousquet, Water Resources Manager Yamada, and Senior Right of Way Agent Flanagan.

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 reminded everyone that the annual Engineering and Operations Tour was scheduled for Monday, September 30, 2013 and stated if anyone had changes to their RSVP they should notify Clerk of the Board Lore as soon as possible.

DIRECTORS' COMMENTS

There were no Directors' comments.

I. CONSENT CALENDAR

1. Professional services contract with Richard Brady & Associates for controls and electrical engineering as-needed services.
Staff recommendation: Authorize the General Manager to award a professional services contract in an amount not-to-exceed \$150,000 to Richard Brady & Associates for controls and electrical engineering as-needed services for a period of five years.

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

II. ACTION/DISCUSSION

1. Carlsbad Desalination Project.
 - 1-A Presentation – Carlsbad Desalination Project update.
 - 1-B Reimbursement agreement for construction of new facilities related to future contract purchases of treated water from the Water Authority - Carlsbad Desalination Project.
Staff recommendation:
 - 1) Authorize the General Manager to execute an agreement with the Carlsbad Municipal Water District for reimbursable costs for construction of new facilities related to future contract purchases of treated water from the Water Authority - Carlsbad Desalination Project.
 - 2) Increase the FY 2014/2015 Capital Improvement Program appropriation and lifetime budget for the Carlsbad Desalination Project by \$124,300 for reimbursable costs related to future contract purchases of treated water from the Carlsbad Desalination Project.

Mr. Belock gave a presentation regarding the Carlsbad Desalination Project including project elements, public outreach, Macario Canyon bridge or tunnel and approval process, energy recovery at the desalination plant, budget summary, contract administration memoranda, and reimbursable costs and CIP budget increase for new facilities for the City of Carlsbad.

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

2. Energy Management Policy.
2-A Adopt the draft Energy Management Policy.

Chair Brady reviewed the updates to the Energy Management Policy suggested by Board members after the last meeting of the committee. Chair Brady thanked Directors Olson, Saxod, Lewinger and Hogan for their suggested modifications to the policy. There were no further comments or suggestions.

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

III. INFORMATION

1. Presentation on San Vicente Dam Raise project update.

Mr. Reed gave a presentation on the San Vicente Dam Raise project including construction update, low level outlet gate structure, cofferdam removal, crest control building, outlet works, downstream control facility, control system start-up testing, schedule update, decommissioning existing outlet works, and upcoming activities

2. Project Delivery Presentation.

Mr. Rose gave a presentation regarding Project Delivery specifically related to the Gate Process including capital improvement project delivery, gate process deliverables, project delivery plan, risk management plan, and Nob Hill project schedule.

IV. CLOSED SESSION

Mr. Hentschke took the committee into closed session at 9:30 a.m.

1. CLOSED SESSION:
Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
SDCWA v MWH Americas, Inc. et al
Case No. 37-2011-00090504-CU-BC-CTL
2. CLOSED SESSION:
Conference with Real Property Negotiator
Government Code §54956.8
Property: Desalination Project Right of Way (APN 219-086-05)
Agency Negotiators: Daniel S. Hentschke, Frank Belock, Bill Rose, John Kross
Negotiating Parties: North County Land Partners - APN 219-086-05
Under Negotiation: Price and Terms of Acquisition

Mr. Hentschke brought the committee out of closed session at 9:53 a.m. and stated the actions were not reportable, but a closed session would be required at the Formal Board Committee to take final action.

V. ADJOURNMENT

There being no further business to come before the Engineering and Operations Committee, Chair Brady adjourned the meeting at 9:53 a.m.

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

Vice Chair Williams called the Imported Water Committee meeting to order at 10:00 a.m. Committee members present were Vice Chair Williams, Directors Croucher*, Evans, Hogan, Lewinger, Linden, Olson, Pocklington, Steiner, Watkins, Wilson, and Wornham. Chair Saxod, Vice Chair Muir, and Director Arant were absent. Also present were Directors Barnum, Brady*, Hilliker, Kern, Madaffer, Miller, Mudd, Sanford, Saunders, Simpson, Topolovac, Verbeke, and Weston. At that time, there was a quorum of the Board, and the meeting was conducted as a meeting of the Board; however, only committee members participated in the vote.

Staff present included General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Director of MWD Program Chen, Colorado River Program Director Razak, Government Relations Manager Farrel, Principal Water Resources Specialist Frieauf, Water Resources Manager Purcell, and others.

*Directors Croucher and Brady arrived at 10:29 a.m. and 11:00 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

Vice Chair Williams reported that the Delta Stewardship Council, responsible for the long-term management plan for the Delta, met in West Sacramento for: a briefing by the Natural Resources Agency and the Department of Fish and Wildlife regarding the draft Bay Delta Conservation Plan (BDCP); the Delta Independent Science Board report on recent activities; and a presentation by the Science Board lead scientist on the second draft of the Delta Science Plan. The Delta Plan became effective with legally-enforceable regulation on September 1, 2013 and when the BDCP is completed and accepted by the Fish and Wildlife agencies, it was expected to be folded into the Delta Plan. Staff would report back to the committee on issues resulting from the Delta Stewardship Council board meeting.

He stated that the Water Authority was well represented at the Colorado River Symposium in Santa Fe and called on Chair Wornham and Director Pocklington to share their observations from the symposium. Chair Wornham and Director Pocklington provided a brief report out of topics discussed and activities that took place at the symposium.

Vice Chair Williams announced that Directors Pocklington, Weston, and Wilson would be attending the Colorado River Authority's Upper Basin tour taking place September 30, 2013 through October 4, 2013.

I. CONSENT CALENDAR

There were no items on the Consent Calendar.

II. ACTION/DISCUSSION

1. Bay Delta.

1-A Bay Delta Conservation Plan Estimated Export Yields.

Ms. Frieauf discussed major elements that influence the estimated export yields from the BDCP and provided a comparison of the estimated export yields.

Mr. Purcell discussed the proposed BDCP including the "Decision Tree" process that would be used to determine export yields before the new BDCP facilities were put into operation and the risks and uncertainties associated with it. Following the presentations directors asked questions and provided feedback for the analysis process.

Mr. Cushman reviewed the revised schedule of the BDCP alternatives review and analysis process.

2. Metropolitan Water District Issues and Activities update.

2-A Metropolitan Water District Delegates report.

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

3. Colorado River Program.

3-A Colorado River Hydrology and Operations update.

Ms. Razak provided an update on the Colorado River hydrology and operations. Following her presentation, Directors asked questions and made comments.

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 11:52 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 Eastern Municipal Water District; Riverside Superior Court Case No. RIC1300887

Mr. Hentschke brought the Committee out of Closed Session at 12:31 p.m. and stated there was no reportable action.

V. ADJOURNMENT

There being no further business to come before the Imported Water Committee, Vice Chair Williams adjourned the meeting at 12:31 p.m.

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

Vice Chair Croucher called the Legislation, Conservation and Outreach Committee to order at 1:10 p.m. Committee members present were Vice Chairs Croucher and Madaffer, Directors Barnum, Douglas, Evans, Gallo, Hilliker, Kern, Morrison, Mudd, Muir, and Verbeke. Committee members absent were Chair Topolovac and Directors Saxod and Wight. Other Board members present were Directors Brady, Hogan, Lewinger, Linden, Miller, Olson, Pocklington, Sanford, Simpson, Tu, Watkins, Weston, Williams, and Wilson. At that time, there was a quorum of committee.

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, Government Relations Manager Farrel and SCOOP Manager Yanushka.

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

Vice Chair Croucher announced that the Water Authority's upgraded website www.sdcwa.org had been up and running for weeks and thanked staff for managing the project. He also reported that earlier in the month the Water Authority hosted two tours of the Olivenhain Dam and the Lake Hodges Pumped Storage Project in collaboration with the Climate Education Partners initiative.

He also announced that the Water Authority hosted a briefing and tour of the San Vicente Dam Raise for members of the San Diego County Grand Jury. They requested the tour in order to increase knowledge of regional water issues. Vice Chair Croucher also reported that the e-Guide to a WaterSmart Lifestyle was finishing final testing and would likely be launched the following week.

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.

Jonathan Clay provided a Sacramento update and stated the legislative session had ended on September 13, 2013. He reported on the water bond, stating that discussions regarding the bond's size and scope would continue into 2014. Mr. Clay indicated that an informational hearing was conducted in the Senate during September and that the effort to re-shape the water bond continued to be a work in progress, with many stakeholders engaged in the legislative process. Mr. Clay stated that SB 322, which the Water Authority sponsored and aims to have the California Department of Public Health investigate uniform water recycling criteria for direct potable reuse, passed the Legislature.

Mr. Clay also reported on AB 145, sponsored by Assemblymember Perea, regarding switching oversight of the public drinking water program from the Department of Public Health to the State Water Quality Control Board. He stated that legislation did not move forward.

Mr. Carpi reported on issues in Congress, including that Congress had not passed any of the appropriations bills needed to fund the government for the next fiscal year. He also said the

nomination of Mike Connor to the position of Deputy Secretary of the Interior had passed a Senate committee.

1-B Legislative update presentation.

Mr. Farrel presented an update on legislative issues including the Water Bond. He stated that Legislative Policy Guidelines were being evaluated by staff for revisions. Staff would provide the draft proposed Legislative Policy Guidelines at the October 24, 2013 Board meeting for Board and member agency review and input. He also reported on the legislative proposals for the 2014 state legislative session. He reported that Water Authority staff was soliciting legislative proposals for possible sponsorship in 2014. There would be a review process, and legislative proposals would be presented to the Board at the November 21, 2013 Board meeting.

1-C Approve course of action related to quagga mussel legislation at federal level.

Staff recommendation:

- Send written comments during the U.S. Fish and Wildlife Service public comment period opposing a proposed categorical exclusion under the National Environmental Policy Act for the USFWS to add quagga mussels to the injurious wildlife list under the federal Lacey Act.
- Authorize the Water Authority's legislative advocates to participate in a coalition effort to evaluate legislative options for addressing the proposed NEPA categorical exclusion issue relating to quagga mussels and the Lacey Act.

Government Relations Manager Farrel presented an overview of the quagga mussel and the federal Lacey Act. He provided a brief background on each and explained the recommended course of action at the federal level.

Director Muir moved, Director Barnum seconded, to adopt staff recommendation and the motion passed unanimously to approve course of action related to quagga mussel legislation at the federal level.

III. INFORMATION

1. Presentation on Small Contractor Outreach and Opportunities Program annual report.

Ms. Yanushka presented a review of the SCOOP program accomplishments and performance for fiscal year 2013.

2. Quarterly Water Conservation Garden report.

Director Linden reported that the Garden had begun construction on the butterfly pavilion. He also emphasized the importance of membership with the Garden.

The committee received and filed the following items:

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, Vice Chair Croucher adjourned the meeting at 2:08 p.m.

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

Chair Douglas called the Water Planning Committee Meeting to order at 2:15 p.m. Committee members present were Chair Douglas, Vice Chair Tu, Directors Brady, Kern, Linden, Madaffer, Miller, Sanford, Saunders, Simpson, Steiner and Weston. Also present were Directors Evans, Hogan, Horn, Lewinger, Morrison, Mudd, Muir, Olson, Pocklington, Verbeke, 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 was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Water Resources Director Weinberg, Water Resources Manager Purcell, and Principal Water Resources Specialist Stadler.

PUBLIC COMMENT

Chair Douglas reported there would be a public comment for Item II. 2.

CHAIR'S REPORT

Chair Douglas thanked the Committee and Board members for attending the September 12, 2013 Special Committee Meeting on the 2013 Master Plan Update development and related Climate Action Plan and Supplemental Program Environmental Impact Report.

DIRECTORS' COMMENTS

There were no comments made by Directors.

I. CONSENT CALENDAR

1. Professional services contract to Hazen & Sawyer Environmental Engineers and Scientists for refinement and enhancement of the County Water Authority- Municipal and Industrial Needs long-range water demand forecast model.
Staff recommendation: Authorize the General Manger to aware a professional services contract to Hazen & Sawyer Environmental Engineers and Scientists for a not-to-exceed contract amount of \$459,160 for refinement and enhancement of the CWA-MAIN long-range demand forecast.

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

II. ACTION/DISCUSSION

1. Adopt 2013 Integrated Regional Water Management Plan.
Staff recommendation:
 1. Adopt Resolution 2013-_____ adopting the 2013 San Diego Integrated Regional Water Management Plan.
 2. Authorize the General Manager to enter into contracts to distribute funding from the San Diego Region's Proposition 84, Round 1 integrated regional water management grant to Olivenhain Municipal Water District, San Elijo Lagoon Joint Powers Authority, Rural Communities Assistance Corporation, County of San Diego, City of San Diego, City of Santee, Jacobs Center for Neighborhood Innovation and San Diego Coastkeeper.

Mr. Stadler provided information on Integrated Regional Water Management (IRWM) planning and governance; the IRWM Regional Advisory Group membership and purpose, including review and selection of grant applications; the first IRWM plan adopted in 2007 and prior grant funding received; and how IRWM would support the Water Authority's Urban Water Management Plan goals. He explained the need for the 2013 IRWM plan update and described the level of public involvement that affected it. He reported that the adoption of plan update would enable the region's continued eligibility for California Department of Water Resources (DWR) funding, adding that the Water Authority would receive three percent of each award to administer the IRWM grants in accordance with the existing Regional Water Management Group Memorandum of Understanding between the Water Authority and the city and county of San Diego.

Director Steiner moved and Director Madaffer seconded a motion to approve staff's recommendation.

Under discussion on the motion, Director Steiner requested thought process be given to whether legislation could be proposed that would allow the region more control over reimbursement-based DWR invoicing in order to alleviate funding recipients having to wait, on average four to six months and in some cases up to one year, for DWR to issue their grant funds. Ms. Stapleton advised the issue would likely come forward in the Legislation, Conservation and Outreach Committee. Director Weston commented favorably on the successful cooperation and outcomes of the ten-year IRWM process. Mr. Weinberg named key members of the IRWM Regional Advisory Committee who have contributed collaboratively to its success.

The motion to approve staff's recommendation passed unanimously.

*Director Wornham arrived at 2:35 p.m.

2. Schedule for public review of documents prepared for the 2013 Regional Water Facilities Optimization and master Plan Update.

Mr. Weinberg provided summary information on the work performed to date to complete final drafts of the 2013 Master Plan Update, Supplemental Program Environmental Impact Report (SPEIR) and Climate Action Plan. He concluded his remarks with the proposed remaining schedule.

Chair Douglas called for public comment. Julia Chunn-Heer, Campaign Coordinator with Surfrider San Diego, requested the upcoming public hearing for the Draft Master Plan, SPEIR and Climate Action Plan be held during non-business hours and encouraged 30 days' notice of the hearing.

3. Resolution approving the Third Addendum to the City of Carlsbad Precise Development Plan and Desalination Project Final Environmental Impact Report (State Clearinghouse No. 2004041081); adopting a Mitigation Monitoring and Reporting Program; approving the project; authorizing Filing of a Notice of Determination; and authorizing the General Manager to Execute Amendments to the Design Build Agreement with Poseidon Resources (Channelside) LP.

Staff recommendation:

It is recommended the Board adopt Resolution No. 2013-____ that:

- a) Finds that only minor technical changes are being made to the previously approved project.
- b) Approves the Third Addendum to the City of Carlsbad Precise Development Plan and Desalination Project Final Environmental Impact Report.
- c) Adopts the Mitigation Monitoring and Reporting Program.
- d) Approves the revised Project.
- e) Authorizes filing a Notice of Determination.
- f) Authorizes the General Manager to execute required amendments to the Design Build Agreement for Product Water Pipeline Improvements Relating to the Carlsbad Seawater Desalination Project necessary to build the approved Project.

Mr. Hentschke advised that Chair Douglas would be permitted to continue as Committee Chair, as there would not be a contract between the Water Authority and the city of Carlsbad on this item. He added that, according to an Attorney General opinion, Chair Douglas would be permitted to participate in all matters relating to the Carlsbad Desalination Project except contracts between the Water Authority and Carlsbad. Mr. Purcell provided information on each of the staff recommendations.

Director Sanford moved, Director Linden seconded, and the motion passed to approve staff's recommendation, with one abstention from Director Saunders.

III. INFORMATION

The following report was received and filed:

1. Water Resources report.

IV. CLOSED SESSION

There were no Closed Session items.

V. ADJOURNMENT

Chair Douglas adjourned the meeting at 2:58 p.m.

FORMAL BOARD OF DIRECTORS' MEETING OF SEPTEMBER 26, 2013

1. **CALL TO ORDER** Chair Wornham called the Formal Board of Directors' meeting to order at 3:05 p.m.

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

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

Secretary Hogan called the roll. Directors present were Barnum, Brady, Croucher, Douglas, Evans, Gallo, Hogan, Kern, Lewinger, Madaffer, Miller, Mudd, Muir, Olson, Pocklington, Sanford, Saunders, Simpson, Steiner, Tu, Verbeke, Weston, Williams, Wilson, Wornham, and Representative Roberts. Directors absent were Arant (p), Hilliker, Linden, Morrison, Murtland, Saxod, Topolovac, Watkins, Watton, and Wight.

3-A **Report on proxies received.** Director Brady was the proxy for Director Arant.

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

5. **APPROVAL OF MINUTES**

Director Verbeke moved, Director Madaffer seconded, and the motion carried at 87.39% of the vote to approve the minutes of the Special meeting of the Imported Water Committee of August 8, 2013 and the Formal Board of Directors' meeting of August 22, 2013.

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 Fallbrook Public Utility District and Rainbow Municipal Water District
Overview – Brian Brady, General Manager, Fallbrook Public Utility District.

Chair Wornham introduced Dr. Brian Brady, Fallbrook Public Utility District General Manager. Dr. Brady provided an overview of the Fallbrook Public Utility District and Rainbow Municipal District. He covered service area boundaries for the two districts and announced that they were currently operating together under a Joint Powers Authority arrangement, adding that he was General Manager for both districts under the JPA. He reviewed the history of both districts including service demands, customer base, board structure, and significant milestones achieved. He briefly covered issues and challenges facing the districts including aging infrastructure, and the rising cost of water.

He provided an overview of the process followed in pursuing a JPA and the reasons behind the two districts decision to join forces, as well as a review of significant cost savings created by the merge and impacts it had on staff.

Vice Chair Hogan asked a question regarding the cost allocation method relating to the JPA. Director Kern inquired on the rate-payers reaction to the consolidation and what feedback was received from the public. Director Muir inquired on whether the districts were planning to pursue a complete consolidation through LAFCO. Director Barnum asked about the possibility of a combined comprehensive rate structure and whether that had been discussed yet. Dr. Brady responded to questions and comments.

7-B Presentation of Directors' service certificates.

Chair Wornham presented Directors Mudd and Steiner with service certificates.

8. **REPORTS BY CHAIRS**

8-A Chairs report: Chair Wornham announced that he and Ms. Stapleton provided a presentation at Rincon del Diablo MWD on September 10, 2013. He informed the Board of the other member agency presentations scheduled to take place during October and November.

Chair Wornham reported that he made a presentation with Mr. Cushman to the EDC Industry Group, and he also participated in a workshop with the City of Carlsbad and Director Douglas relating to the BDCP issues. He also mentioned a presentation he provided to the Regional Chamber of Commerce Board of Directors, and the Downtown Rotary Club.

He reminded the Board that due to the delay on the release of the BDCP environmental documents the Special Board Meeting of October 10, 2013 had been cancelled.

He announced an upcoming trip to Washington DC hosted by the San Diego Regional Chamber of Commerce that he would be attending with Government Relations Manager Farrell.

8-B Report by Committee Chairs.

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

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

Imported Water Committee. Director Williams stated there was no reportable action.

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

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

9. **CONSENT CALENDAR**

Director Muir moved, Director Pocklington seconded, and the motion carried at 87.39% 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. Professional services contract with Richard Brady & Associates for controls and electrical engineering as-needed services.

The Board authorized the General Manager to award a professional services contract in an amount not-to-exceed \$150,000 to Richard Brady & Associates for controls and electrical engineering as-needed services for a period of five years.

9- 3. Reimbursement agreement for construction of new facilities related to future contract purchases of treated water from the Water Authority - Carlsbad Desalination Project.

The Board authorized the General Manager to execute an agreement with the Carlsbad Municipal Water District for reimbursable costs for construction of new facilities related to future contract purchases of treated water from the Water Authority - Carlsbad Desalination Project. The Board increased the FY 2014/2015 Capital Improvement Program appropriation and lifetime budget for the Carlsbad Desalination Project by \$124,300 for reimbursable costs related to future contract purchases of treated water from the Carlsbad Desalination Project.

Directors Douglas and Saunders abstained on this item.

9- 4. Energy Management Policy.

The Board adopted the draft Energy Management Policy.

9- 5. Approve course of action related to quagga mussel legislation at federal level.

The Board approved sending written comments during the U.S. Fish and Wildlife Service public comment period opposing a proposed categorical exclusion under the National Environmental Policy Act for the USFWS to add quagga mussels to the injurious wildlife list under the federal Lacey Act. The Board authorized the Water Authority's legislative advocates to participate in a coalition effort to evaluate legislative options for addressing the proposed NEPA categorical exclusion issue relating to quagga mussels and the Lacey Act.

9- 6. Professional services contract to Hazen & Sawyer Environmental Engineers and Scientists for refinement and enhancement of the County Water Authority-Municipal and Industrial Needs long-range water demand forecast model.

The Board authorized the General Manager to award a professional services contract to Hazen & Sawyer Environmental Engineers and Scientists for a not-to-exceed contact amount of \$459,160 for refinement and enhancement of the CWA-MAIN long-range demand forecast.

9- 7. Adopt 2013 Integrated Regional Water Management Plan.
The Board adopted **Resolution No. 2013-21** adopting the 2013 San Diego Integrated Regional Water Management Plan. The Board authorized the General Manager to enter into contracts to distribute funding from the San Diego Region's Proposition 84, Round 1 integrated regional water management grant to Olivenhain Municipal Water District, San Elijo Lagoon Joint Powers Authority, Rural Communities Assistance Corporation, County of San Diego, City of San Diego, City of Santee, Jacobs Center for Neighborhood Innovation and San Diego Coastkeeper.

9- 8. Resolution approving the Third Addendum to the City of Carlsbad Precise Development Plan and Desalination Project Final Environmental Impact Report (State Clearinghouse No. 2004041081); adopting a Mitigation Monitoring and Reporting Program; approving the project; authorizing Filing of a Notice of Determination; and authorizing the General Manager to Execute Amendments to the Design Build Agreement with Poseidon Resources (Channelside) LP.
The Board adopted **Resolution No. 2013-22** that:
Finds that only minor technical changes are being made to the previously approved project. Approves the Third Addendum to the City of Carlsbad Precise Development Plan and Desalination Project Final Environmental Impact Report.
Adopts the Mitigation Monitoring and Reporting Program. Approves the revised Project. Authorizes filing a Notice of Determination. Authorizes the General Manager to execute required amendments to the Design Build Agreement for Product Water Pipeline Improvements Relating to the Carlsbad Seawater Desalination Project necessary to build the approved Project.

Director Saunders abstained on this item.

10. **ACTION/DISCUSSION**
There were no action items.

11. **CLOSED SESSION(S)**
General Counsel Hentschke requested, in lieu of Closed Session for items 11-A and 11-B, that the Board approve the actions recommended in Closed Session by the Engineering and Operations Committee. The Board unanimously approved the recommendations. Mr. Hentschke announced the actions would be disclosed when required by the Brown Act. He also indicated that no further Closed Sessions were required for the meeting.

Director Croucher moved, Director Lewinger seconded and the motion carried at 87.39% of the vote to approve the recommendation.

- 11-A 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-B 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-C 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
- 11-D CLOSED SESSION:
Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
SDCWA v MWH Americas, Inc. et al
Case No. 37-2011-00090504-CU-BC-CTL
- 11-E CLOSED SESSION:
Conference with Real Property Negotiator
Government Code §54956.8
Property: Desalination Project Right of Way
(APN 219-086-05;APN 212-010-15)
Agency Negotiators: Daniel S. Hentschke, Frank Belock, Bill Rose, John Kross
Negotiating Parties: North County Land Partners - APN 219-086-05
SDG&E - APN 212-010-15
Under Negotiation: Price and Terms of Acquisition
12. **ACTION FOLLOWING CLOSED SESSION** – None.

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 – Chair Wornham announced there was no SANDAG meeting held.
SANDAG Subcommittee: Borders/Regional Planning Committee –
No report was given.

13-D AB 1234 Compliance Reports – No reports were given.

14. **OTHER COMMUNICATIONS** - There were no other communications.

15. **ADJOURNMENT**

At 3:40 p.m. the meeting was adjourned to 8:00 a.m. for start of Committee meetings and
2:00 p.m. for start of Formal Board meeting on October 24, 2013.

Thomas V. Wornham, Chair

Michael T. Hogan, Secretary

Doria F. Lore, Clerk of the Board