WATER PLANNING COMMITTEE
CALL TO ORDER/ROLL CALL
Chair Tu called the Water Planning Committee Meeting to order at 9:05 a.m.
Committee members present were Chair Tu, Vice Chairs Linden and Watton, Directors Kern*, Madaffer, Murtland, Sanford*, Saunders, Simpson*, Steiner and Weston. Directors Brady and Miller were absent. Also present were Directors Arant, Barnum, Evans, Hogan, Olson, Razak, Saxod, Verbeke, Watkins, Williams, Wight, Wilson and Wornham. At that time, there was a quorum of the Board, and the meeting was conducted as a meeting of the Board; however, only committee members participated in the vote.

Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Water Resources Director Weinberg, Operations and Maintenance Director Eaton, Water Resources Manager Roy, Acting Water Resources Manager Frieauf, and Senior Water Resources Specialist Dobalian. Guests included Dr. Daniel R. Cayan and Dr. Michael Dettinger from the Scripps Institution of Oceanography and the United States Geological Survey.

PUBLIC COMMENT
There were no requests for public comment received.

CHAIR’S REPORT
Chair Tu advised that the anticipated length of the agenda and nature of topics being discussed, including a presentation on El Niño, the ongoing drought, long term supply planning, and regional storage, might require an item be deferred to the September 25, 2014 meeting.

DIRECTORS’ COMMENTS
There were no comments made by Directors.

I. CONSENT CALENDAR
There were no items on the Consent Calendar.

II. ACTION/DISCUSSION

Following introductions by Ms. Kerl, Dr. Cayan and Dr.Dettinger presented information on current projections for a significant El Niño weather event in the winter of 2014-2015. In contrast to the extreme El Niños from 1941, 1983, and 1998, recent forecasts showed a 44 percent chance that the El Niño projected for winter 2014-2015 would not provide enough rain to make up for three consecutive dry years. In response to a question regarding climate change, Dr. Cayan remarked that while the subtropics may become drier, the heaviest precipitation events may get even heavier.
2. **Annual Water Supply Report for distribution pursuant to Administrative Code Section 8.00.050.**

   **Staff recommendation:**
   Approve the Annual Water Supply Report for distribution pursuant to Administrative Code 8.00.050.

   Ms. Dobalian presented information on the 2014 Draft Annual Water Supply Report, including sources of information, local supply development, and supply and demand projections.

   Director Steiner moved and Director Weston seconded to approve the staff recommendation.

   In discussion, Director Steiner questioned the use of SANDAG Series 12 data for the draft report, instead of the data provided with SANDAG Series 13. Staff response included an explanation that the source of information for the draft annual report was the Water Authority's 2010 Urban Water Management Plan, which included Series 12 data available at the time it had been prepared, and that the 2015 Urban Water Management Plan – due to the Department of Water Resources in July 2016 – would include the SANDAG Series 13 data. Staff responded to additional comments and questions by Directors Saxod, Weston, Wattor, Arant, and Razak.

   The motion to approve staff’s recommendation passed, with Director Steiner voting to oppose.

3. **Water supply and drought management update.**

   Ms. Friehauf reported on compliance activities in response to the State Water Resources Control Board Emergency Regulations Requirements for Urban Water Suppliers, adding that 22 member agencies were implementing water shortage contingency plans at the mandatory level and water production reporting would begin August 15, 2014. Ms. Friehauf also covered potable water use, daily temperature, and staff current drought activities.

4. **Report on potable reuse efforts and direct staff to further assist member agencies with planning, regulatory advocacy and regional outreach for potable reuse projects.**

   **Staff recommendation:**
   Direct staff to proceed with expanding the assistance provided to member agencies developing potable reuse projects in the Water Authority’s service area in the following key areas: 1) enhanced public outreach and messaging, 2) engaging with regulatory agencies and the State Drinking Water Program’s Expert Panel, 3) assist in planning of projects by securing external funding for local projects; and 4) work with member agencies to develop and implement a regional public outreach plan in support of potable reuse.
Ms. Roy gave a presentation on Water Authority Support for Potable Reuse, including background information on the Water Authority’s historic role with water reuse, statewide perspectives on potable reuse projects, and member agency projects. She also provided information on work moving forward by the WateReuse Research Foundation and the California Department of Public Health, under the requirements of the 2010 Senate Bill 918 and 2013 Senate Bill 322.

Director Steiner moved to approve the staff recommendation with an amendment that would include: “contingent upon the completion of a protocol plan outlining the roles and coordination with member agencies as they relate to the specified four key areas.”

Director Madaffer seconded the motion, as amended by Director Steiner, with a further amendment that would replace staff recommended language for key area #4 with the following: “4) working in close coordination with member agencies to ensure consistency and being complementary to member agency outreach.”

The motion to approve the staff recommendation, as amended by Directors Steiner and Madaffer, passed unanimously.

III. INFORMATION
1. Presentation on proposed Ocean Plan amendments.

Chair Tu announced that information item III-1 would be deferred to the September 25, 2014 Board Meeting.

2. Water Authority Storage Utilization.

Mr. Weinberg and Mr. Eaton presented an informative report on the Water Authority’s regional storage program including history, management, planning, purposes, uses and evaporative loss. Staff responded to comments and questions by Chair Tu and Directors Arant and Mudd.

The following report was received and filed:

IV. CLOSED SESSION
There was no Closed Session.

V. ADJOURNMENT
Chair Tu adjourned the meeting at 10:54 a.m.
LEGISLATION, CONSERVATION AND OUTREACH COMMITTEE
CALL TO ORDER/ROLL CALL
Chair Croucher called the Legislation, Conservation and Outreach Committee to order at 10:58 a.m. Committee members present were Chair Croucher, Vice Chairs Barnum and Madaffer, and Directors Evans, Gallo, Guerin, Hilliker, Kern, Mudd, Muir, Saxod and Verbeke. Committee members absent were Directors Morrison and Wight. Other Board members present were Directors Arant, Hogan, Linden, Murtland, Olson, Pocklington, Rezak, Sanford, Simpson, Steiner, Tu, Watkins, 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, Government Relations Manager Farrel, Principal Water Resources Specialist Stephenson and Water Resources Specialist Swanson. Also present was legislative representative Steve Cruz.

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 Croucher introduced Director Barnum as the new Legislation, Conservation and Outreach Committee Vice-Chair. He reported that the committee had its pre-brief meeting at the Water Conservation Garden earlier in the week and invited the Garden’s Executive Director, John Bolthouse, to speak regarding current events at the Garden.

He announced the Water Authority was planning to launch its Citizens Water Academy Program in fall and that the Water Authority was seeking nominations for participants for the inaugural academy classes.

DIRECTORS' COMMENTS
There were no comments made by Directors.

I. CONSENT CALENDAR
There were no items on the Consent Calendar.

II. ACTION/DISCUSSION
1. Legislative Issues.
   1-A Written report by Ken Carpi.
   1-B Sacramento report by Gonzalez, Quintana & Hunter – Steve Cruz.
Mr. Cruz provided a Sacramento update along with an update on the Water Bond passed by the Legislature and signed by the Governor. He provided updates on AB 1739 (Dickinson) and SB 1168 (Pavley) which were groundwater management reform measures. In addition, Mr. Cruz provided updates on Water Authority sponsored bills AB 2067 (Weber) which simplified urban management water reporting, and AB 1874 (Gonzalez) which would simplify some of the IRWM administrative requirements.

1-C Adopt a Resolution Of Support for Proposition 1 – the Water Quality, Supply, and Infrastructure Improvement Act of 2014.  
Staff recommendation: Adopt Resolution 2014-19, endorsing Proposition 1, the Water Quality, Supply, and Infrastructure Improvement Act of 2014.

Mr. Farrel presented an overview of the Water Bond, he stated that the bond had passed the Legislature and was signed by the Governor on August 13, 2014. He reviewed the benefits of the Water Bond to the San Diego region.

Director Muir moved, Director Madaffer seconded, and the motion to approve staff’s recommendation passed unanimously.

1-D Adopt positions on various state bills.  
Staff recommendation:  
1. Adopt a position of Support on AB 1739 (Dickinson)  
2. Adopt a position of Support on SB 411 (Wolk)  
3. Adopt a position of Support on SB 1168 (Pavley)

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

III. INFORMATION

1. Update on the Water Authority’s Agricultural Water Management Program.

Ms. Swanson presented an update on the Water Authority’s Agricultural Water Management Program that provided a review of the program’s history, a description of the current programs and projects, and details regarding partnerships and grant funding. Some topics covered included a recently completed agricultural assessment that summarized the current agricultural acreage in the Water Authority’s service area, agricultural irrigation system evaluations, a research project that looked at the effectiveness of using recycled water for avocado production, and a recycled retrofit project that would provide incentives for farmers to convert potable water irrigation systems to recycled water irrigation systems.

Mr. Foster provided an overview of the enhanced outreach plan at the drought alert level, which was presented at the Special Legislation, Conservation and Outreach Committee Meeting on August 14, 2014. He stated the objectives for the enhanced outreach plan were to achieve compliance with restrictions and immediate use reductions, and to raise awareness of the serious and worsening nature of the drought in a way that minimized confusion and maintained credibility of the member agencies. He also explained how the revised and more serious message would be transitioned to the public.

He announced that staff had completed changes to the WhenInDrought.org web-portal, which included an agency-by-agency directory of local water use restrictions that were in effect for each member agency. He also reported that staff had completed the zip-code-based guide for conservation programs, which was previously suggested by the Board. The guide allows residents to locate conservation programs and rebates in their area by entering their address.

He stated that staff had completed updating television spots, radio, online and other media campaigns to reflect the more serious messaging and adding that some of the new spots had already begun airing. Staff had also provided print advertisements to 84 community papers seeking donated space.

Mr. Foster reported that staff had been working on expanding outreach to community partnerships and had secured a partnership with the San Diego County Apartment Association to produce door-hangers with indoor tips which they would print and distribute to their members. He added that staff partnered with the Restaurant Association, and Food & Beverage Association to distribute table tents relating to serving water in restaurants only upon request.

He announced that staff was continuing business outreach and had provided updated outreach materials to more than 40 groups, including all of the county’s chambers and EDC’s. He also reported that staff had launched a college campaign by distributing magnets, and launching a social media campaign requesting students submit a selfie picture including their magnets to the Water Authority Facebook or Twitter pages. Prizes for the competition were provided by various sponsors.

Mr. Foster reported that the Water Authority added classes to the Landscape Makeover Class series in response to demand and that classes were currently all booked. He also reported that changes were being made to the WaterSmartSD.org home page to allow customers to quickly find information on more popular water conservation programs.

He stated that staff was working on coordination with member agencies on promotional items which would engage more of the public with items including yard signs and vehicle magnets. He also reported that staff had met with the San Diego Zoo, who have started to implement a drought awareness message promoting our “When In Drought” campaign.

The committee received and filed the following items:
2. Quarterly Water Conservation Garden report.
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 Croucher adjourned the meeting at 11:48 a.m.

IMPORTED WATER COMMITTEE
CALL TO ORDER / ROLL CALL

Chair Saxod called the Imported Water Committee meeting to order at 11:50 a.m. Committee members present were Chair Saxod, Vice Chairs Muir and Williams, Directors Arant, Croucher, Evans, Hogan, Linden, Olson, Pocklington, Steiner, Watkins, Wilson, and Wornham. Directors Lewinger and Roberts were absent. Also present were Directors Gallo, Guerin, Hilliker, Kern, Madaffer, Mudd, Murtland, Razak, Sanford, Saunders, Simpson, Tu, Verbeke, Watton, Weston, and Wight. 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, MWD Program Director Chen and Colorado River Program Director Denham.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

There were no public comments.

CHAIR’S REPORT

Chair Saxod announced that MWD’s new inspection trip cycle had begun and the Water Authority’s MWD Delegates would host the inspection trips of the Colorado River Aqueduct and the State Water Project. Upcoming trips included Director Hogan’s State Water Project trip on October 3 and 4, 2014, and Director Lewinger’s Colorado River Aqueduct trip on November 14 and 15, 2014. She asked Directors to advise the Clerk’s office if interested in attending any of the planned trips.

Chair Saxod reported it was announced that the Bay Delta Conservation Plan (BDCP) lead agencies would publish a partially Recirculated Draft BDCP, EIR/EIS, and Implementing Agreement in early 2015, what would be rewritten had not been made public. The scope of the recirculated documents would be announced in six to eight weeks. The recirculated documents would warrant another public review process prior to publication of the final documents. Staff would continue to monitor the process and report back to the committee.

She also reported that the Bureau of Reclamation announced that the amount of water released from Lake Powell to Lake Mead would increase in 2015.
She announced that information item III.1 - Presentation on Colorado River Hydrology and Operations, would be continued to the September 25, 2014 Board Meeting.

DIRECTORS’ COMMENTS
There were no comments by Directors.

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 discussion and actions taken at the recent MWD board meetings.

   2. Colorado River Programs.
      2-A Colorado River Board Representative’s report.

   Director Wilson reported on the discussions at the August Colorado River Board meeting. He reported that the Colorado River Authority announced a tour of the Lower Colorado River Multi-Species Conservation Program from October 21 to 23, 2014. He announced there were two open seats available for Board Members on a first come, first served basis, and to contact Mr. Denham if interested in attending the tour.

III. INFORMATION
1. Presentation on Colorado River Hydrology and Operations update.

   Information item III-1 was continued to the September 25, 2014 Board meeting.

   The following information item was noted and filed:
   2. Metropolitan Water District Program report.

   Mr. Hentschke took the Committee into Closed Session at 12:04 p.m.

IV. CLOSED SESSION
1. 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; CPF-12-512466; and BC547139

   Mr. Hentschke brought the Committee out of Closed Session at 12:29 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 12:31 p.m.

ENGINEERING AND OPERATIONS COMMITTEE
CALL TO ORDER / ROLL CALL

Chair Brady called the Engineering and Operations Committee meeting to order at 1:13 p.m. Committee members present were Vice Chair Pocklington and Directors Barnum, Morrison*, Mudd, Murtland, Olson, Razak, Simpson, Tu, Verbeke, Watkins, and Wornham and Representative Roberts. Vice Chair Miller was the only member absent. Also present were Directors Arant, Evans, Gallo, Hilliker, Hogan, Kern, Madaffer, Muir, Sanford, Saunders, Saxod, Steiner, Watton, Weston, Wight, Williams, and Wilson. At that time, there was a quorum of the Board, and the meeting was conducted as a meeting of the Board; however, only committee members participated in the vote.

Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Deputy General Counsel Gallien, Director of Operations and Maintenance Eaton, Director of Engineering Rose, Director of Finance Harris, Operations and Maintenance Manager Fisher; Principal Engineers Rodgers and Shoaf, Principal Water Resource Specialist Gage, and Senior Engineer Kavanagh.

ADDITIONS TO AGENDA

There were no additions to the agenda.

DIRECTORS’ COMMENTS

There were no Directors’ comments.

PUBLIC COMMENT

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

CHAIR’S REPORT

Chair Brady reported that a special meeting of the Engineering and Operations Committee was held on Thursday, August 14, 2014 to discuss the San Vicente Pumped Storage study, and that more information would be provided later in the meeting in response to Board requests. He also announced that the annual Engineering and Operations Tour was scheduled for Tuesday, September 30, 2014. He noted that an itinerary and RSVP form had been distributed and asked that everyone complete the RSVP form for staff to collect at the conclusion of the meeting.

I. CONSENT CALENDAR
1. **Notice of Completion for Pipeline 3 Relining Sweetwater to Lower Otay.**  
   **Staff recommendation:** Authorize the General Manager to accept the Pipeline 3 Relining Sweetwater to Lower Otay project as complete, record the Notice of Completion, and release funds held in retention to L.H. Woods & Sons, Inc., following the expiration of the retention period.

2. **Professional services contract with ABM Electrical Power Services, LLC for electrical preventative maintenance, inspection, testing, and repair services for Water Authority facilities.**  
   **Staff recommendation:** Authorize the General Manager to execute a two-year professional services contract (with optional third year) to ABM Electrical Power Systems, LLC for an amount not-to-exceed $400,000 for electrical preventative maintenance, inspection, testing and repair services.

3. **Professional services contract with City of San Diego for Water Quality Testing and Analysis services.**  
   **Staff recommendation:** Authorize the General Manager to execute a five-year professional services contract with the City of San Diego for an amount not-to-exceed $250,000 to perform water quality laboratory analysis as required on the aqueduct delivery system.

Vice Chair Pocklington moved, Director Muidd seconded and the motion to approve staff recommendations for all Consent Calendar items passed unanimously.

* Director Morrison arrived at 1:18 p.m., after the Consent Calendar vote.

**II. ACTION/DISCUSSION**

1. **Design-Build contract with NEWest Construction Company, Inc. for the Twin Oaks Valley Water Treatment Plant Expanded Service Area project.**  
   **Staff recommendation:** Authorize the General Manager to award a design-build contract to NEWest Construction Company, Inc. in the amount of $3,682,000 for the Twin Oaks Valley Water Treatment Plant Expanded Service Area project.

Ms. Kavanagh gave a presentation regarding the Twin Oaks Valley Water Treatment Plant Expanded Service Area project including an overview of the project location and goals, current Valley Center Pump Station operations, procurement method, proposals received, and evaluation criteria.

Director Tu moved, Director Murtland seconded, and the motion to approve staff's recommendation passed unanimously.
2. **San Vicente Pumped Storage.**
   A. Presentation of actions necessary to support the FERC petition, recommended financial metrics, and other issues related to the San Vicente Pumped Storage Study.

   B. **San Vicente Pumped Storage Study.**
   
   **Staff recommendation:** Approve the following actions in support of the Water Authority's petition with the Federal Energy Regulatory Commission.
   
   1. **Agreement with the City of San Diego.**
      Authorize the General Manager to execute an agreement with the City of San Diego for the implementation of the next necessary steps for the San Vicente Pumped Storage Study including the San Vicente Reservoir modeling and the inlet/outlet study.

   2. **Amendment to professional services contract with Black and Veatch Corporation.**
      Accept Amendments 1 and 2 for $105,000 and approve Amendment 3 in the amount of $450,000 to provide engineering and environmental studies and support for the San Vicente Pumped Storage Study, increasing the contract amount from $149,920 to $704,920.

   3. **Proceed with Phase 2 tasks.**
      Authorize the expenditure of $215,000 for the Water Authority's share of the modeling of San Vicente Reservoir and $135,000 for project administration.

   Director Hogan, Hydropower Task Force Chair, began the presentation regarding the San Vicente Pumped Storage Study including the agenda for discussion, and near term focus. Mr. Belock continued with current project costs, and potential project benefits. He then turned it over to Ms. Harris who continued with financial metrics recommended by the Hydropower Task Force, financial metrics assumptions, payback period, internal rate of return, potential annual royalty, summary of Black and Veatch pro forma financial statements, and financial analysis conclusions. Ms. Gage continued with information regarding the Federal Energy Regulatory Commission (FERC) update including, FERC permit schedule, FERC response, rehearing request, and congressional involvement. Mr. Belock then concluded the presentation with the City of San Diego agreement, professional services contract amendment, Phase 1 and 2 work, and future actions.

   There was lengthy discussion with several suggestions and requests for further information. Staff would research requests and return to the Board at a later date with the requested information.

   Director Mudd moved to approve staff’s recommendations with modifications as follows: Authorize the General Manager to execute an agreement with the City of San Diego for the implementation of the next necessary steps for the San Vicente Pumped Storage Study including
the San Vicente Reservoir modeling and the inlet/outlet study; accept Amendments 1 and 2 for $105,000 and an amendment to perform only the work related to modeling of the San Vicente Reservoir for the San Vicente Pumped Storage Study; and authorize the expenditure of $215,000 for the Water Authority’s share of the modeling of San Vicente Reservoir and $135,000 for project administration. Director Tu seconded, and the motion to approve staff’s recommendation, as modified, passed with only Director Olson opposed.

III. INFORMATION
The following item was noted and filed:
1. Advertisement for Bids for Ramona Pipeline Cathodic Protection project.

IV. CLOSED SESSION
1. CLOSED SESSION:
Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1) – Shimmick Construction Co., Inc./Obayashi Corp., joint venture v. San Diego County Water Authority
San Diego Superior Court Case No. 37-2014-00026740-CU-BC-CTL

Mr. Hentschke stated that a confidential memo regarding the Closed Session item had been provided to Board members in advance of the meeting. As there were no questions regarding the memo, and a comprehensive Closed Session was planned for October 23, 2014, the item was continued to October 2014.

V. ADJOURNMENT
There being no further business to come before the Engineering and Operations Committee, Chair Brady adjourned the meeting at 2:34 p.m.

ADMINISTRATIVE AND FINANCE COMMITTEE
CALL TO ORDER / ROLL CALL
Chair Saunders called the Administrative and Finance Committee meeting to order at 2:40 p.m. Committee members present were Chair Saunders, Vice Chairs Arant* and Wight, Directors Gallo, Guerin, Hilliker, Hogan, Sanford*, Watton, Weston, Williams, and Wilson. Committee members absent were Directors Lewinger and Razak. Also present were Directors Barnum, Brady, Evans, Kern, Madaffer, Morrison, Mudd, Muir, Murtland, Olson, Saxod, Simpson, Verbeke, and Wornham, and Representative Roberts. 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 members present were General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Director of Finance/Treasurer Harris, Director of Administrative Services Brown, Financial Planning Manager Shank, Financial Resources Manager Celaya, 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 welcomed Director Guerin to the Administrative and Finance Committee.

DIRECTORS’ COMMENTS
There were no Directors’ comments.

I. CONSENT CALENDAR
1. Treasurer’s Report.
   Staff recommendation: Note and file the monthly Treasurer’s report.

2. Resolution establishing amount due from the city of San Diego for the In-Lieu Charge as a condition of providing water service for fiscal year 2015.
   Staff recommendation: Adopt Resolution No. 2014-20 establishing an amount due of $1,897,901.11 from the city of San Diego for the In-Lieu Charge for fiscal year 2015.

   Director Weston moved, Vice Chair Wight seconded, and the motion passed unanimously to approve the consent calendar.

* Vice Chair Arant and Director Sanford arrived at 2:42 p.m.

II. ACTION/DISCUSSION

1. Approve amendments to the San Diego County Water Authority Local Conflict of Interest Code.
   Staff recommendations:
   a. Conduct the Public Hearing.
   b. Adopt Resolution No. 2014-21 approving amendments to the San Diego County Water Authority Local Conflict of Interest Code.

   Chair Saunders opened the Public Hearing at 2:42 p.m. Mr. Hentschke provided a brief staff report and stated the amendments were available in the monthly Board Packet materials. Chair Saunders asked if there were any members of the public who wished to speak and noted there were none. Chair Saunders closed the Public Hearing at 2:43 p.m.

   Director Williams moved, Vice Chair Wight seconded, and the motion passed unanimously to approve the staff recommendation.
2. Optimization of the Water Authority’s Debt Portfolio and Other Long-Term Obligations.

Ms. Harris provided a presentation on the item which included a review of mid-term budget projected savings, defined discretionary funds, as well as the PAYGO and operating fund options that had been reviewed. She stated the presentation was for informational purposes, and to receive recommendations and direction from the Board. The item would return to the Board for action at the September 25, 2014 Board Meeting.

Directors asked questions and made recommendations. Vice Chair Wight requested a split out of the impact that the recommended debt actions had across all rate categories.

III. INFORMATION
   1. Presentation on Rate Stabilization Fund Overview.

Information item III-1 was deferred to the October 23, 2014 Board Meeting.


Ms. Stapleton announced hardcopies of the updated Business Plans were distributed to the Board earlier in the meeting, and were also available electronically on the Water Authority’s website. She stated the Plan was a five-year planning document, with a focus on the activities needed over the following two years to achieve the Water Authority’s mission.

Ms. Stapleton highlighted the contents of the first chapter of the Plan, outlining the Board’s guiding principles and policies, related planning documents, and current business trends – all of which contributed to the development of the Business Plan and its programs, management strategies, and goals.

The following items were noted and filed:
5. Controller’s report on monthly financial reports.
6. 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 3:15 p.m.

FORMAL BOARD OF DIRECTORS’ MEETING OF AUGUST 28, 2014

1. CALL TO ORDER Chair Wornham called the Formal Board of Directors’ meeting to order at 3:20 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 Arant, Barnum, Brady, Evans, Gallo, Guerin, Hilliker, Hogan, Kern, Madaffer, Morrison, Mudd, Muir, Murtland, Olson, Pocklington, Sanford, Saunders, Saxod, Steiner, Simpson, Verbeke, Watton, Weston, Wight, Williams, Wilson, Wornham and Representative Roberts. Directors absent were Croucher, Lewinger (p), Linden (p), Miller (p), Razak, Tu and Watkins.

   3-A **Report on proxies received.** Director Arant was the proxy for Director Miller, Director Kern was the proxy for Director Lewinger, and Director Verbeke was the proxy for Director Linden.

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

5. **APPROVAL OF MINUTES**
   Director Muir moved, Director Evans seconded, and the motion carried at 96.96% of the vote to approve the minutes of the Formal Board of Directors’ meeting of July 24, 2014.

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 City of Escondido Overview – Christopher McKinney, Director of Utilities.

   Chair Wornham introduced Mr. Christopher McKinney, city of Escondido Director of Utilities. Mr. McKinney provided a presentation on the City of Escondido including an overview of service boundaries and demand, customer base, recycled water efforts, operated water facilities and storage capacity. He also reviewed employee figures, budget, Board structure, and an upcoming major expansion of their recycled water system. He concluded his presentation by thanking Water Authority Staff for prior and continued assistance in securing funding for projects, and assistance with regulators.

   * Director Williams left the meeting at 3:35 p.m.

7-B Recognition of Kirk Whitaker, Engineer P.E., Employee of the 4th Quarter.
7-C **Appointment of Director.** Christy Guerin representing Olivenhain Municipal Water District. Term expires August 4, 2020.

Chair Wornham recognized Kirk Whitaker as the employee of the 4th quarter. He also announced the appointment of Director Guerin, representing Olivenhain MWD, and welcomed her to the Water Authority Board of Directors.
7-D Retirement of Director. Adopt Resolution No. 2014-__ honoring Vincent Mudd upon his retirement from the Board of Directors.

Director Steiner moved, Director Arant seconded and the motion carried at 96.96% of the vote to adopt Resolution No. 2014-22 honoring Vincent Mudd on his retirement from the Board of Directors.

8. REPORTS BY CHAIRS

8-A Chairs report:

1. Nomination of Board Officers.

Chair Wornham reported that written nominations for Board Officers closed on August 14, 2014, and he reviewed the written nominations received for each of the officer positions, which were as follows: Mark Weston for Chair, Mark Muir for Vice Chair, and Jim Madaffer for Secretary. He advised the Board Members that additional nominations could be made from the floor and asked at that time if there were any additional nominations. Noting that there were no further nominations, Chair Wornham closed the nomination period and reminded the Board that the newly nominated Board Officers would be selected at the September 25, Board Meeting and will take office October 1, 2014.

2. Metropolitan Water District Delegate vacancy.

Chair Wornham announced that the retirement of Director Mudd had created a vacancy in the MWD Delegation. He stated that per the Administrative Code, his announcement served as official notice to the Board of the vacancy and that a replacement would be nominated at the September 25, 2014 Board Meeting.

8-B Report by Committee Chairs.

Water Planning Committee. Director Watton reviewed the meeting and the actions taken.
Legislation, Conservation and Outreach Committee. Director Madaffer reviewed the meeting and the actions taken.
Imported Water Committee. Director Saxod stated there was no reportable action.
Engineering and Operations Committee. Director Brady reviewed the meeting and the actions taken.
Administrative and Finance Committee. Director Saunders reviewed the meeting and the actions taken.

9. CONSENT CALENDAR

Director Mudd moved, Director Pocklington seconded, and the motion carried at 96.96% of the vote to approve the consent calendar. Directors voting no or abstaining are listed under the item number.
9- 1. **Annual Water Supply Report for distribution pursuant to Administrative Code Section 8.00.050.**
The Board approved the Annual Water Supply Report for distribution pursuant to Administrative Code 8.00.050.

Director Steiner voted no on item 9-1.

9- 2. **Report on potable reuse efforts and direct staff to further assist member agencies with planning, regulatory advocacy and regional outreach for potable reuse projects.**
Contingent upon the completion of the protocol plan outlining the roles and coordination protocols of the Water Authority and its member agencies as it relates to four key areas, the Board directed staff to proceed with: 1) enhanced public outreach and messaging; 2) engaging with regulatory agencies and the State Drinking Water Program’s Expert Panel; 3) assisting in planning of projects by securing external funding for local projects; and 4) working in close coordination with member agencies to ensure consistency and being complementary to member agency outreach.

9- 3. **Adopt a Resolution Of Support for Proposition 1 – the Water Quality, Supply, and Infrastructure Improvement Act of 2014.**
The Board adopted Resolution No. 2014-19 endorsing Proposition 1, the Water Quality, Supply, and Infrastructure Improvement Act of 2014.

9- 4. **Adopt positions on various state bills.**
The Board adopted a position of Support on Ab 1739 (Dickinson). The Board adopted a position of Support on SB 411 (Wolk). The Board adopted a position of Support on SB 1168 (Pavley)

9- 5. **Notice of Completion for Pipeline 3 Relining Sweetwater to Lower Otay.**
The Board authorized the General Manager to accept the Pipeline 3 Relining Sweetwater to Lower Otay project as complete, recorded the Notice of Completion, and released funds held in retention to L.H. Woods & Sons, Inc., following the expiration of the retention period.

9- 6. **Professional services contract with ABM Electrical Power Services, LLC for electrical preventative maintenance, inspection, testing, and repair services for Water Authority facilities.**
The Board authorized the General Manager to execute a two-year professional services contract (with optional third year) to ABM Electrical Power Systems, LLC for an amount not-to-exceed $400,000 for electrical preventative maintenance, inspection, testing and repair services.
9- 7. Professional services contract with City of San Diego for Water Quality Testing and Analysis services.
The Board authorized the General Manager to execute a five-year professional services contract with the City of San Diego for an amount not-to-exceed $250,000 to perform water quality laboratory analysis as required on the aqueduct delivery system.

9- 8. Design-Build contract with NEWest Construction Company, Inc. for the Twin Oaks Valley Water Treatment Plant Expanded Service Area project.
The Board authorized the General Manager to award a design-build contract to NEWest Construction Company, Inc. in the amount of $3,682,000 for the Twin Oaks Valley Water Treatment Plant Expanded Service Area project.

Approve the following actions in support of the Water Authority’s petition with the Federal Energy Regulatory Commission.
The Board authorized the General Manager to execute an agreement with the City of San Diego for the implementation of the next necessary steps for the San Vicente Pumped Storage Study including the San Vicente Reservoir modeling and the inlet outlet study. The Board accepted Amendments 1 and 2 for $105,000 and approved an amendment to perform the work related to modeling of the San Vicente Reservoir for the San Vicente Pumped Storage Study. The Board authorized the expenditure of $215,000 for the Water Authority’s share of the modeling of San Vicente Reservoir and $135,000 for project administration.

9- 10. Treasurer’s report.
The Board noted and filed the monthly Treasurer’s report.

9- 11. Resolution establishing amount due from the city of San Diego for the In-Lieu Charge as a condition of providing water service for fiscal year 2015.
The Board adopted Resolution No. 2014-20 establishing an amount due of $1,897,901.11 from the city of San Diego for the In-Lieu Charge for fiscal year 2015.

9- 12. Approve amendments to the San Diego County Water Authority Local Conflict of Interest Code.
The Board conducted the Public Hearing. The Board adopted Resolution No. 2014-21 approving amendments to the San Diego County Water Authority Local Conflict of Interest Code.

10. ACTION/DISCUSSION
There were no action items.

11. CLOSED SESSION(S)
Mr. Hentschke announced there was no need for Closed Session items 11-A and 11-B. He then took the Board into Closed Session for the 11-C through 11-F at 3:49 p.m.
11-A  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; CPF-12-512466; and BC547139

11-B  CLOSED SESSION:
Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1) – Shimmick Construction
Co., Inc./Obayashi Corp., joint venture v. San Diego County Water Authority
San Diego Superior Court Case No. 37-2014-00026740-CU-BC-CTL

11-C  CLOSED SESSION:
Public Employee Performance Evaluation
Government Code §54957 - Title: General Manager

11-D  CLOSED SESSION:
Conference with Labor Negotiators, Government Code §54957.6
Designated Board Representatives: Chair, Vice-Chair, Secretary
Unrepresented Employee: General Manager

11-E  CLOSED SESSION:
Public Employee Performance Evaluation
Government Code §54957 - Title: General Counsel

11-F  CLOSED SESSION:
Conference with Labor Negotiators, Government Code §54957.6
Designated Board Representatives: Chair, Vice-Chair, Secretary
Unrepresented Employee: General Counsel

12.  ACTION FOLLOWING CLOSED SESSION – Mr. Hentschke brought the committee out of Closed Session at 4:17 p.m. and reported that there was no reportable action.

13.  SPECIAL REPORTS
13-A  GENERAL MANAGER’S REPORT – No report was given.
13-B  GENERAL COUNSEL’S REPORT – No verbal report was given.
13-C  SANDAG REPORT – No report was given.
    SANDAG Subcommittee: Borders/Regional Planning Committee – No report was given.
13-D  AB 1234 Compliance Reports – No reports were given.

14.  OTHER COMMUNICATIONS – Chair Wornham thanked everyone for all the time put in to the Water Bond, with a special thanks to Directors Madaffer and Steiner. He also reported that he had presented seven “United for San Diego Water Reliability” awards during August of 2014 to organizations that voted to support the Water Authority
in the rate challenge, including the San Diego County Board of Supervisors and the San Diego County division of the League of California Cities.

15. **ADJOURNMENT**
The meeting was adjourned at 4:20 p.m.

Thomas V. Wornham, Chair

Michael T. Hogan, Secretary

Linda Troyan, Clerk of the Board