

**MINUTES OF THE FORMAL BOARD OF DIRECTORS' MEETING
FEBRUARY 26, 2015**

ADMINISTRATIVE AND FINANCE COMMITTEE

CALL TO ORDER / ROLL CALL

Chair Arant called the Administrative and Finance Committee meeting to order at 9:00 a.m. Committee members present was Chair Arant, Vice Chairs Razak and Wilson, Directors Gallo, Hilliker, Kennedy, Lewinger, Muir, Verbeke, Watkins, Watton, Weston, Williams and Wornham. Also present were Directors Ayala, Barnum, Boyle, Brady, Croucher, Evans, Guerin, Hall, Linden, Miller, Murtland, Olson, Saxod, Simpson and Steiner. At that time, there was a quorum of the Board, and the meeting was conducted as a meeting of the Board; however, only committee members participated in the vote.

Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Director of Finance Harris, Director of Administrative Services Brown, Director of Water Resources Weinberg, Controller Greek, and Financial Resources Manager Celaya. Also present was Doug Montague of Montague DeRose.

Chair Arant announced at 9:05 a.m. that the meeting would begin with Closed Session and asked General Counsel Hentschke to begin.

IV. CLOSED SESSION

1. **CLOSED SESSION:**
Conference with Labor Negotiator
Government Code §54957.6
Agency Designated Representatives: Frank Belock, Sandra Kerl,
Gretchen Spaniol, Lisa Celaya, Rick Bolanos
Employee Negotiator: Teamsters Local 911

Mr. Hentschke brought the Committee out of Closed Session at 9:30 a.m. and announced that there was nothing to report.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

There were no public speakers.

CHAIR'S REPORT

Chair Arant acknowledged the draft committee Work Plan and highlighted Financial Planning, Information Technology, and Workforce Management items, as well as miscellaneous items that staff would be working on during CY 2015 and 2016.

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 Gallo moved, Director Williams seconded, and the motion to approve staff recommendation passed unanimously.

II. ACTION/DISCUSSION

1. Progress Report on Fiscal Sustainability Process.

Ms. Harris began the presentation with a review of the agenda and scope of Member Agency discussion including fixed revenue for fixed supply obligations, response to 2013 Cost of Service Study and extension of the Transitional Special Agricultural Water Rate Program (TSAWR).

Mr. Weinberg discussed the remaining work in the process including finalizing recommendations at the March 3, 2015 Member Agency and Finance Officers' meeting, extending TSAWR supply differential beyond 2015 and Agricultural demands. He also addressed items including annual member agency perspectives on managing revenue volatility and recognition of the benefit of local supply being developed by member agencies. Mr. Weinberg concluded with an agenda of what would be discussed at the March 12, 2015 Administrative and Finance Workshop.

2. Presentation on Market Update and Review of the Water Authority's Refunding Guidelines.

Ms. Harris began with a review of the agenda, which included a summary of statement of Debt Management, and a review of the refunding guidelines and capital markets overview. Mr. Montague reviewed interest rates highs and lows over the last decade and explained factors that could influence rates. Ms. Harris concluded the presentation with a summary and announced staff would seek board approval for a refunding authorization in April, 2015.

III. INFORMATION

The following were received and filed:

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

V. ADJOURNMENT

There being no further business to come before the Administrative and Finance Committee, Chair Arant adjourned the meeting at 10:00 a.m.

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

Chair Croucher called the Legislation, Conservation and Outreach Committee to order at 10:08 a.m. Committee members present were Chair Croucher, Vice Chairs Guerin and Steiner, and Directors Gallo*, Hall, Hilliker, Muir, and Saxod. Committee members absent were Directors Barnum, Madaffer, Morrison, Preciado, Tu and Representative Roberts. Other Board members present were Directors Arant, Ayala, Boyle, Brady, Evans, Kennedy, Lewinger, Linden, Miller, Murtland, Olson, Razak, Simpson, Verbeke, Watkins, Watton, Weston, Williams, Wilson and Wornham. At that time there was not a quorum of the committee. Chair Croucher appointed Director Wornham as a member of the committee and established a quorum of the committee. At that time, there was a quorum of the Board, and the meeting was conducted as a meeting of the Board; however, only committee members participated in the vote.

Staff present were General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Director of Public Outreach and Conservation Foster, Principal Water Resources Specialist Stephenson, Public Affairs Representative II Lee and Assistant Water Resources Specialist German.

* Director Gallo arrived at 10:11 a.m.

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 reported that the committee's draft Work Plan was included in the Board Packet and highlighted key items in the Work Plan. He requested that any input be submitted prior to March 6, 2015 and stated the Work Plan would be adopted at the March 26, 2015 Committee meeting.

He reported that on February 9, 2015, the Board Officers traveled to Sacramento for a day-long advocacy visit. The group met with legislative leaders and attended briefings which focused on the Water Authority's response to the IID petition regarding Salton Sea restoration and QSA water transfers, the BDCP, an overview of the Water Authority's sponsored legislation and the region's drought response activities. He announced that a second visit to Sacramento on May 5, 2015 would include the Board Officers and the LCO Chair and Vice Chairs.

He also announced that the next SCOOP Committee meeting was set for March 3, 2015 in the Library Conference Room.

I. CONSENT CALENDAR

1. Authorize submittal of application for Bureau of Reclamation WaterSMART: Water and Energy Efficiency Grants for FY 2015.

Staff recommendation: Adopt Resolution 2015-05 authorizing and directing the General Manager to apply to the Bureau of Reclamation for water and energy efficiency grant funding and to commit the Water Authority to the financial and legal obligations associated with the receipt of grant funds.

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

2. Adopt positions of various state bills.

Staff recommendation:

1. Adopt a position of Support if Amended on AB 88 (Gomez).

The Board took no action on AB 88 (Gomez) with direction to return at the March 26, 2015 meeting for further consideration of the bill.

2. Adopt a position of Oppose on SB 143 (Stone).

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

II. ACTION/DISCUSSION

1. Legislative Issues.

- 1-A Washington Report by Ken Carpi. (supplemental materials)
- 1-B Sacramento Report by Steve Cruz – Gonzalez, Quintana & Hunter.
- 1-C Adopt Federal Legislative Priorities for 2015.

Mr. Cushman provided a Sacramento update and an update on the Federal Legislative Priorities for 2015.

Director Guerin moved, Director Steiner seconded, and the motion passed unanimously.

2. 2015 Public Opinion Poll Content.

Mr. Lee provided a summary of the Public Opinion Poll content, including a review of the focus areas.

III. INFORMATION

1. Presentation on Drought Response Communications and Outreach Update.

Mr. Foster provided an update on drought response communications and outreach efforts and highlighted recent activities of the "When in Drought" campaign. He reported that staff had been promoting the new Artificial Turf Discount Program, and had begun a partnership with U-T

San Diego for a weekly feature in the Home and Garden section. The feature was titled “Dear Drought Fighter,” and appeared online and in print. The new feature received strong feedback from the community, who submitted more than 20 questions relating to conservation and Water Authority issues in the first week. Staff was also working with community newspapers to publish conservation and water saving tips in their publications.

Mr. Foster added that staff had secured an agreement for a public/private partnership with the Plumbing, Heating and Cooling Contractors Association of San Diego to help promote Fix A Leak Week, by providing a 10 percent discount off a leak-related service call (up to \$100).

Ms. German concluded the presentation by explaining the Water Authority’s landscape educational opportunities coming in Spring 2015, which included the California Landscape Friendly classes, WaterSmart Landscape Makeover Series, and San Diego County Garden Friendly plant fairs in partnership with Home Depot.

The committee received and filed the following items:

2. Government Relations Update.
3. Newly Introduced Bills.

IV. ADJOURNMENT

There being no further business to come before the Legislation, Conservation and Outreach Committee, Chair Croucher adjourned the meeting at 11:03 a.m.

ENGINEERING AND OPERATIONS COMMITTEE

CALL TO ORDER / ROLL CALL

Chair Williams called the Engineering and Operations Committee meeting to order at 11:10 a.m. Committee members present were Chair Williams, Vice Chairs Miller and Watkins, and Directors Arant, Ayala, Boyle, Brady, Croucher, Linden, Olson, Razak, Saunders, and Simpson. Committee members absent were Directors Hogan and Morrison. Also present were Directors Barnum, Evans, Guerin, Hall, Hilliker, Kennedy, Lewinger, Muir, Murtland, Saxod, Steiner, Tu, Verbeke, Watton, Weston, 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, Deputy General Counsel Gallien, Director of Operations and Maintenance Eaton, Director of Engineering Rose, Director of Water Resources Weinberg, Engineering Manager Bousquet, Water Resource Manager Roy, Principal Engineer Rodgers, and Principal Water Resource Specialist Gage.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

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

DIRECTORS' COMMENTS

There were no Directors' comments.

CHAIR'S REPORT

Chair Williams announced that the E&O draft Committee Work Plan for 2015-2016 was in the Board Packet. He highlighted some of the items and asked Board members to review and comment by March 6, 2015 to be considered at the March 26, 2015 Formal Board Meeting. He also reported that a special meeting of the Engineering and Operations Committee took place on Thursday February 12, 2015 where staff presented extensive information regarding the San Vicente Pumped Storage project.

I. CONSENT CALENDAR

1. Amendment 2 to service contract with Co's Traffic Control for traffic control services.

Staff recommendation: Authorize the General Manager to approve Amendment 2 with Co's Traffic Control for \$150,000 to provide additional traffic control services, increasing the contract amount from \$150,000 to \$300,000.

Director Brady moved, Vice Chair Miller seconded and the motion to approve staff recommendation passed unanimously.

II. ACTION/DISCUSSION

1. San Vicente Pumped Storage Study.

Staff recommendation: Approve moving forward with all necessary Phase 1 work within the previously approved \$525,000 appropriation, including the submittal of the City of San Diego as a co-applicant to the FERC preliminary permit; approval of the partnership agreement principles with the City of San Diego; and authorization of the General Manager to execute a contract for \$150,000 to Harvey Consulting Group and Amendment #4 of the Black & Veatch contract for \$250,000.

Ms. Rodgers provided a presentation on the San Vicente Pumped Storage Study that included a review of the Special Engineering & Operations Committee Meeting, prior project phases, purpose of the recommendations, necessary work to meet the FERC timeline of July 2015, and roles of Harvey Consulting Group, LLC and Black & Veatch Corporation. She included information regarding Phase 1 and 2 work, project delivery options, and concluded with a summary of the staff recommendation.

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

Director Olson made an additional motion to accelerate the process of selecting an owner's advisor. Director Watkins seconded the motion. The motion failed with the following vote results Noes: Chair Williams, Vice Chair Miller and Directors Arant, Ayala, Brady,

Croucher, Linden, Razak, Saunders and Simpson; Ayes: Directors Olson and Watkins;
Abstained: Director Boyle.

III. INFORMATION

There were no Information items.

IV. CLOSED SESSION

There were no Closed Session items.

V. ADJOURNMENT

There being no further business to come before the Engineering and Operations Committee, Chair Williams adjourned the meeting at 11:51 a.m.

IMPORTED WATER COMMITTEE

CALL TO ORDER / ROLL CALL

Chair Watton called the Imported Water Committee meeting to order at 1:00 p.m. Committee members present were Chair Watton, Vice Chairs Verbeke and Saxod*, Directors Barnum*, Evans, Guerin, Murtland, Olson, Roberts, Saunders, Steiner, Weston, and Wilson. Directors Hogan and Madaffer were absent. Also present were Directors Arant, Boyle, Brady, Croucher, Gallo, Hall, Hilliker, Kennedy, Lewinger, Linden, Miller, Morrison, Muir, Preciado, Razak, Simpson, Tu, Watkins, Williams, 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 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.

The agenda was taken out of order and at 1:02 p.m. Mr. Hentschke took the Committee into Closed Session.

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 CPF-14-514004

2. **CLOSED SESSION:**
Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
Name of Case: State Water Resources Control Board
Petition of Imperial Irrigations District for Modification of Revised Water Rights
Order 2002-0013

Mr. Hentschke brought the Committee out of Closed Session at 2:00 p.m. and stated there was no reportable action.

CHAIR'S REPORT

Chair Watton announced that the draft Committee Work Plan was available in the Board Packet for review and comment. He stated that the final Work Plan would be adopted during the March 26, 2015 Board Meeting.

He reported that Governor Brown and Secretary of the Interior Sally Jewell announced the availability of \$50 million in drought relief funding by the Bureau of Reclamation. He added that the majority of funding had been allocated for projects and programs within California and the funding would be used for research and development of drought contingency strategies throughout the state. Additionally, \$8.6 million of the amount allocated to California was specifically dedicated toward the Lower Colorado River Basin's drought planning efforts to generate system water in Lake Mead to help prevent a shortage declaration. Staff would report back to the committee as needed.

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 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 discussions at the February Colorado River Board meetings.

3. Bay Delta Activities.
3-A State Water Project Contractors Authority Bay Delta Funding.

Mr. Cushman and Ms. Chen made a joint presentation on the State Water Project Contractors Authority's Bay Delta Funding Discussions. Following the presentation, Directors asked questions and made comments.

- 3-B Proposed 2015-2016 Bay-Delta Workplan.
Staff recommendation: Adopt the proposed 2015-2016 Bay-Delta workplan.

Mr. Cushman provided a brief presentation on the proposed Bay-Delta workplan for calendar years 2015 - 2016.

Director Steiner made a motion and Director Murtland seconded the motion. The motion passed unanimously to approve staff recommendation.

III. INFORMATION

1. Presentation on Metropolitan Water District Storage Programs Update.

Information item III-1 was continued to the March 25, 2015 Board Meeting.

The following information item was noted and filed:

2. Metropolitan Water District Program report.

V. ADJOURNMENT

There being no further business to come before the Imported Water Committee, Chair Watton adjourned the meeting at 2:55 p.m.

WATER PLANNING COMMITTEE CALL TO ORDER/ROLL CALL

Chair Tu called the Water Planning Committee Meeting to order at 3:00 p.m. Committee members present were Chair Tu, Vice Chairs Brady and Evans, and Directors Ayala, Hall, Kennedy, Lewinger, Linden, Miller, Murtland, Preciado, Simpson and Wornham. Director Boyle was absent. Also present were Directors Arant, Barnum, Croucher, Gallo*, Guerin, Hilliker, Morrison, Muir, Olson, Razak, Saunders, Saxod, Steiner, Verbeke, Watton, Weston, Williams, Wilson, and Supervisor 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 present was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Water Resources Director Weinberg, Acting Water Resources Manager Frieauf, Principal Water Resources Specialist Stadler and Water Resources Specialist Schnell.

PUBLIC COMMENT

There were no public comments.

CHAIR'S REPORT

Chair Tu thanked Vice Chair Brady for presiding over the January 22, 2015 meeting and thanked Board Chair Weston for the opportunity to serve again as the Chair of the Water Planning Committee. She remarked upon the draft committee Work Plan for CY 2015 and 2016, and directed comments be provided by March 6, 2015.

DIRECTORS' COMMENTS

There were no comments made by Directors.

I. CONSENT CALENDAR

1. Professional services contract with RMC Water and Environment for Integrated Regional Water Management Program services.
Staff recommendation: Award a professional services contract to RMC Water and Environment for IRWM support services in the amount of \$1,674,275 for a contract period from April 1, 2015 to June 30, 2019.

Chair Tu requested Vice Chair Evans to chair the Committee's consideration of Consent Item I-1 in order to recuse herself from participating due to a prior economic relationship with RMC Environmental, which was a source of income to Chair Tu within the past twelve months.

Vice Chair Evans took the chair and asked for a motion on the item. Director Brady moved and Director Hall seconded a motion to approve the staff recommendation. Following staff response to questions posed by Director Ayala concerning why RMC would be the sole bidder and whether RMC had local staff, the motion passed with Chair Tu not present in the Board Room and not participating in the vote.

Vice Chair Evans invited Chair Tu back into the meeting and Chair Tu resumed the meeting as the Committee Chair.

* Director Gallo arrived at 3:10 p.m.

II. ACTION/DISCUSSION

1. Contracts with Carlsbad Municipal Water District and Vallecitos Water District for member Agency Purchase of Treated Water from the Water Authority- Carlsbad Desalination Project.
Staff recommendation: Authorize the General Manager to enter into individual contracts with Carlsbad Municipal Water District and Vallecitos Water District for the purchase of treated water from the Carlsbad Desalination project, substantially in the form as presented to the Board.

Mr. Weinberg provided a report on the development of uniform purchase contract terms and the individual agreements with Carlsbad Municipal Water District and Vallecitos Water District for the purchase of desalinated water from the Carlsbad Seawater Desalination Project. He added that next steps would include finalizing FY 2016 projected costs, incorporating those costs into proposed 2016 rates and charges, and providing estimates of charges to Carlsbad and Vallecitos for action by

their respective Boards. Directors Hall and Evans reported they would not vote on this item as members of the Board for Carlsbad Municipal Water District and Vallecitos Water District, respectively. Mr. Hentschke responded to a question posed by Director Lewinger and confirmed he could participate in the vote. Director Kennedy moved, Director Miller seconded, and the motion to approve staff recommendation passed with Directors Hall and Evans not participating in the vote.

III. INFORMATION

1. Presentation on Water Supply and Drought Management Update.

Ms. Schnell gave a presentation that included measurements of precipitation and snowpack for the Northern Sierra; reservoir conditions at Lake Oroville; statewide runoff; Lake Powell inflow; local rainfall and temperature; potable water use; and weather outlook through May 2015. In addition, she reported on two upcoming key dates related to the State Water Resources Control Board's emergency water conservation regulations: March 3rd for presenting January 2015 production figures; and March 17th 2015 when potential actions could be taken by the State Board to extend and make refinements to its existing regulations. Ms. Schnell concluded her report with a timeline of preparatory steps already taken and which could still be taken through July 1st in response to potential allocations in 2015.

The following report was received and filed:

2. Water Resources report.

IV. CLOSED SESSION

There were no Closed Session items.

V. ADJOURNMENT

Chair Tu adjourned the meeting at 3:23 p.m.

FORMAL BOARD OF DIRECTORS' MEETING OF FEBRUARY 26, 2015

1. **CALL TO ORDER** Chair Weston called the Formal Board of Directors' meeting to order at 3:30 p.m.

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

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

Vice Chair Muir called the roll. Directors present were Arant, Ayala, Barnum, Brady, Croucher, Evans, Gallo, Guerin, Hall, Hilliker, Kennedy, Lewinger, Linden, Miller, Morrison, Muir, Murtland, Olson, Preciado, Razak, Saunders, Saxod, Simpson, Steiner, Verbeke, Watton, Weston, Williams, Wilson, Wornham, and Representative Roberts. Directors absent were Boyle, Hogan, Madaffer, Tu, and Watkins.

3-A **Report on proxies received.** No proxies were received.

4. **ADDITIONS TO AGENDA**

There were no additions to the agenda.

5. **APPROVAL OF MINUTES**

Director Wornham moved, Director Barnum seconded, and the motion carried at 87.56% of the vote to approve the Minutes of the Formal Board of Directors' meeting of January 22, 2015. Director Arant abstained.

6. **OPPORTUNITY FOR MEMBERS OF THE PUBLIC WHO WISH TO ADDRESS THE BOARD ON MATTERS WITHIN THE BOARD'S JURISDICTION**

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

7. **PRESENTATIONS AND PUBLIC HEARINGS**

7-A **Re-Appointment of Director.** Re-Appointment of Ron Morrison representing the City of National City. Term ending March 8, 2020.

7-B **Appointment of Director.** Appointment of Tom Kennedy representing the Rainbow Municipal Water District. Term ending February 16, 2021.

7-C **Appointment of Director.** Appointment of Brian Boyle representing the City of Oceanside. Term ending July 15, 2016.

Chair Weston announced the re-appointment of Director Morrison representing the City of National City and the appointments of Director Kennedy representing Rainbow Municipal Water District, and Director Boyle representing the City of Oceanside.

7-D City of San Diego Overview – Halla Razak, Director of Public Utilities

Chair Weston introduced Halla Razak, Director of Public Utilities for the City of San Diego. Ms. Razak provided a presentation that included a brief history of the water system, infrastructure overview, branding effort and commitments, and recently received recognition.

8. **REPORTS BY CHAIRS**

8-A **Chairs report:** Chair Weston acknowledged and congratulated Public Affairs Representative II Lee who was nominated as a candidate to receive an award from the San Diego Society of Professional Journalists.

Chair Weston reported on various meetings and engagements that he attended in the month of February including a two-day Colorado River Aqueduct Tour, an interview with Cox Communications on "Water Supply, Drought and Water Conservation", Labor Negotiation work group meetings, a trip to the Imperial Irrigation District, the Annual San Diego Regional Chamber of Commerce Dinner, Sacramento legislative trips, San Vicente Hydropower subcommittee meeting, East County Economical Development Corporation Roundtable, a meeting with Michael Jones of "The Maritime Alliance", Apartment Association meeting, a meeting with Camp Pendleton regarding Desalination efforts, and a meeting with the City of San Diego delegates. He also reported on a presentation he gave to the San Diego Grand Jury on expanding our water supply and drought

response and his attendance at the SDG&E ribbon cutting ceremony for their new low water use landscape.

He also announced that the second round of the Citizens Water Academy would begin March 5, 2015.

8-B Report by Committee Chairs.

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

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

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

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

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

9. **CONSENT CALENDAR**

Director Muir moved, Director Murtland seconded, and the motion carried at 92.99% of the vote to approve the consent calendar. Directors voting no or abstaining are listed under the item number.

9- 1. Treasurer's Report.

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

9- 2. Authorize submittal of application for Bureau of Reclamation WaterSMART: Water and Energy Efficiency Grants for FY 2015.

The Board adopted **Resolution No. 2015-05** authorizing and directing the General Manager to apply to the Bureau of Reclamation for water and energy efficiency grant funding and to commit the Water Authority to the financial and legal obligations associated with the receipt of grant funds.

9- 3. Adopt positions of various state bills.

The Board took no action on AB 88 (Gomez) with direction to return at the March 26, 2015 meeting for further consideration of the bill. The Board adopted a position of Oppose on SB 143 (Stone).

9- 4. Adopt Federal Legislative Priorities for 2015.

The Board adopted the Federal Legislative Priorities for 2015.

9- 5. Amendment 2 to service contract with Co's Traffic Control for traffic control services.

The Board authorized the General Manager to approve Amendment 2 with Co's Traffic Control for \$150,000 to provide additional traffic control services, increasing the

contract amount from \$150,000 to \$300,000.

- 9- 6. San Vicente Pumped Storage Study.
The Board approved moving forward with all necessary Phase 1 work within the previously approved \$525,000 appropriation, including the submittal of the City of San Diego as a co-applicant to the FERC preliminary permit; approval of the partnership agreement principles with the City of San Diego; and authorization of the General Manager to execute a contract for \$150,000 to Harvey Consulting Group and Amendment #4 of the Black & Veatch contract for \$250,000.
- 9- 7. Proposed 2015-2016 Bay-Delta Workplan.
The Board adopted the proposed 2015-2016 Bay-Delta workplan.
- 9- 8. Professional services contract with RMC Water and Environment for Integrated Regional Water Management Program services.
The Board awarded a professional services contract to RMC Water and Environment for IRWM support services in the amount of \$1,674,275 for a contract period from April 1, 2015 to June 30, 2019.
- 9- 9. Contracts with Carlsbad Municipal Water District and Vallecitos Water District for Member Agency Purchase of Treated Water from the Water Authority- Carlsbad Desalination Project.
The Board authorized the General Manager to enter into individual contracts with Carlsbad Municipal Water District and Vallecitos Water District for the purchase of treated water from the Carlsbad Desalination Project, substantially in the form as presented to the Board.

Director Evans and Director Hall did not participate in the vote on item 9- 9.

10. **ACTION/DISCUSSION**

11. **SPECIAL REPORTS**

- 11-A GENERAL MANAGER'S REPORT – Ms. Stapleton reminded the Board of the Special Administrative and Finance Committee Meeting on Fiscal Sustainability planned for March 12, 2015 at 1:30 p.m.
- 11-B GENERAL COUNSEL'S REPORT – Nothing to report.
- 11-C SANDAG REPORT – Vice Chair Muir stated there was nothing to report at that time.
SANDAG Subcommittee: Borders/Regional Planning Committee – Director Saxod reported on action and discussions at the recent SANDAG Borders/Regional Planning Committee Meeting.
- 11-D AB 1234 Compliance Reports – No reports were given.


12. **CLOSED SESSION(S)**

Mr. Hentschke took the Board into Closed Session on item 12-D at 3:58 p.m.

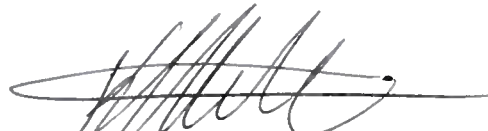
- 12-A CLOSED SESSION:
Conference with Labor Negotiator
Government Code §54957.6
Agency Designated Representatives: Frank Belock, Sandra Kerl,
Gretchen Spaniol, Lisa Celaya, Rick Bolanos
Employee Negotiator: Teamsters Local 911
- 12-B CLOSED SESSION:
Conference with Legal Counsel - Existing Litigation
Government Code §54956.9(d)(1)
Name of Case: SDCWA v Metropolitan Water District of Southern California;
Case Nos. CPF-10-510830; CPF-12-512466; and CPF-14-514004
- 12-C CLOSED SESSION:
Conference with Legal Counsel - Existing Litigation
Government Code §54956.9(d)(1)
Name of Case: State Water Resources Control Board
Petition of Imperial Irrigation District for Modification of Revised Water Rights Order
2002-0013
- 12-D CLOSED SESSION:
Public Employee Performance Evaluation
Government Code §54957 - Title: General Counsel
Conference with Labor Negotiators, Government Code §54957.6
Designated Board Representatives: Chair, Vice-Chair, Secretary
Unrepresented Employee: General Counsel
13. ACTION FOLLOWING CLOSED SESSION
There was no reportable action.
14. OTHER COMMUNICATIONS
15. ADJOURNMENT
The meeting was adjourned at 4:15p.m.



Mark Weston, Chair



Mark Muir, Vice Chair



Kelly L. Walker, Deputy Clerk of the Board