

**MINUTES OF THE FORMAL BOARD OF DIRECTORS' MEETING
JUNE 25, 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 were Chair Arant, and Vice Chairs Wilson and Razak*, and Directors Fong-Sakai, Gallo* Hilliker*, Kennedy, Lewinger, Verbeke, Watkins, Weston, Williams, and Wornham. Committee members absent were Directors Muir and Watton. Also present were Directors Barnum, Boyle, Brady, Guerin, Hall, Heinrichs, Hogan, Linden, Madaffer, Miller, Olson, Saxod, and Tu. 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/Treasurer Harris, Director of Administrative Services Brown, Human Resources Manager Spaniol, Financial Planning Manager Shank, Financial Resources Manager Celaya, and Robert S. Grantham, Vice President of Carollo Engineers.

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

There was no Chair's report.

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. Water Authority Business Insurance.

Staff recommendation: Authorize the General Manager to purchase property insurance from Travelers Property Casualty Company of America in the amount of \$146,613, liability insurance from Alteris – Allied World Assurance Company in the amount of \$321,896, and workers' compensation from Special District Risk Management Authority (SDRMA) in the amount of \$274,445 for a total amount of \$742,954.

3. General Manager's Recommended Budget for Fiscal Years 2016 and 2017.
Staff recommendation: Staff recommends that the Board formally adopt the General Manager's Recommended Budget for Fiscal Years 2016 and 2017. Approve adoption of Resolution No. 2015-14, a Resolution of the Board of Directors of the San Diego County Water Authority approving the General Manager's Recommended Budget for Fiscal Years 2016 and 2017, for operations and capital improvements and appropriating \$1,498,828,514 consistent with the approved budget.

Chair Arant stated that two Administrative and Finance Committee workshops had been held earlier in June, at which time, there was a "conceptual" adoption of the budget and the committee directed staff to place the item on the June 25, 2015 Administrative and Finance Committee consent calendar for adoption.

Director Wilson moved, Director Lewinger seconded, and the motion to approve staffs' recommendations passed unanimously.

II. ACTION/DISCUSSION

1. Adopt the Water Authority's rates and charges for calendar year 2016 and extend the Transitional Special Agricultural Water Rater Program.
Staff recommendations:
 - a) Conduct the Public Hearing;
 - b) Adopt Ordinance No. 2015-13 an ordinance of the Board of Directors of the San Diego County Water Authority setting rates and charges for the delivery and supply of water, use of facilities, and provision of services, and extending the Transitional Special Agricultural Water Rater Program;
 - c) Adopt Resolution No. 2015-15 a resolution of the Board of Directors of the San Diego County Water Authority continuing the Standby Availability Charge; and
 - d) Find the actions except from CEQA pursuant to Public Resources Code § 21080(b)(8) and authorize the General Manager to file a notice of exemption.

* Vice Chair Razak, and Directors Gallo and Hilliker joined the meeting at 9:10 a.m.

Ms. Harris and Mr. Shank provided a presentation on proposed calendar year 2016 rates and charges, including: an overview of the rates and charges and fiscal sustainability recommendations; Carollo Engineers' cost of service report, and recommended calendar year rates and charges drivers and highlights.

Mr. Grantham, Vice President of Carollo Engineers, provided a presentation on the cost of service study for calendar 2016 rates and charges, including: the scope of services; the calendar 2016 water rate and charge calculation process; and results of the independent review.

Directors asked questions and staff provided answers.

Chair Arant called the public hearing to order at 9:35 a.m. He asked if there were any members of the public who wished to speak and there were none.

Chair Arant closed the public hearing at 9:36 a.m.

Director Wornham moved, Director Wilson seconded, and the motion to approve staffs' recommendations passed unanimously.

III. INFORMATION

The following items were noted and filed:

1. Controller's Report on Monthly Financial Statements;
2. Board Calendar.

Chair Arant announced closed session would take place during the formal board meeting later in the day.

IV. CLOSED SESSION

1. CLOSED SESSION:

Conference with Labor Negotiator

Government Code §54957.6

Agency Designated Representatives: Frank Belock, Sandy Kerl, Gretchen Spaniol, Lisa Celaya, Rick Bolanos

Employee Negotiator: Teamsters Local 911

V. ADJOURNMENT

There being no further business to come before the Administrative and Finance Committee, Chair Arant adjourned the meeting at 9:40 a.m.

ENGINEERING AND OPERATIONS COMMITTEE

CALL TO ORDER / ROLL CALL

Chair Williams called the Engineering and Operations Committee meeting to order at 9:50 a.m. Committee members present were Chair Williams, Vice Chairs Miller and Watkins, and Directors Arant, Boyle, Brady, Heinrichs, Hogan, Linden, Olson, Razak, and Simpson*. Committee members absent were Directors Ayala, Croucher, and Morrison. Also present were Directors Barnum, Evans, Fong-Sakai, Gallo, Guerin, Hall, Hilliker, Kennedy, Lewinger, Madaffer, Muir, 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, Director of Operations and Maintenance Eaton, Director of Engineering Rose, Engineering Manager Reed, and Operations and Maintenance Managers Schuler, Fisher, and Faber.

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

There was no Chair's Report.

I. CONSENT CALENDAR

There were no Consent Calendar items.

II. ACTION/DISCUSSION

1. Amendment 3 to professional services contract with Delta Systems Engineering, Inc. for as-needed supervisory control and data acquisition software maintenance.

Staff recommendation: Approve Amendment 3 to the professional services contract with Delta Systems Engineering, Inc., to add one year to the term, changing the expiration date from June 30, 2016 to June 30, 2017 and adding \$400,000 to the contract amount for a new contract amount of \$1,350,000 for continued as-needed supervisory control and data acquisition software maintenance services.

Ms. Schuler gave a presentation regarding the contract with Delta Systems Engineering, Inc., including overview of supervisory control and data acquisition (SCADA) systems, SCADA maintenance, and as-needed contracts.

Director Arant moved, Director Heinrichs seconded, and the motion to approve staffs' recommendation passed unanimously.

* Director Simpson arrived at 10:12 a.m., after the vote on the Action/Discussion item.

III. INFORMATION

1. Presentation on the Annual Aqueduct Operating Plan.

Mr. Fisher gave a presentation regarding the Annual Aqueduct Operating Plan including purpose for the plan, treated and untreated water projected demand vs. deliveries for fiscal year 2015, treated and untreated water delivery projections for fiscal year 2016, untreated water distribution priorities, aqueduct shutdowns and outages, and member agency shutdowns. He also reported on fiscal year 2015 energy production revenues, fiscal year 2016 projected energy production revenues, reservoirs and regional storage, and the plan schedule for the future. Mr. Faber then presented information regarding the Asset Management Program including last year's

activities, next year's planned activities, and a Google Earth flyover video showing results of pipeline condition assessment.

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 10:38 a.m.

WATER PLANNING COMMITTEE

CALL TO ORDER/ROLL CALL

Chair Tu called the Water Planning Committee Meeting to order at 10:42 a.m. Committee members present were Chair Tu, Vice Chairs Brady and Evans, and Directors Boyle, Fong-Sakai, Hall, Kennedy, Lewinger, Linden, Miller, Preciado*, Simpson and Wornham. Directors Ayala and Murtland were absent. Also present were Directors Arant, Barnum, Croucher*, Gallo, Guerin, Heinrichs, Hilliker, Hogan, Madaffer, Olson, Razak, Saxod, Steiner, Verbeke, Watkins, Watton, Weston, 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, Finance Director Harris, Water Resources Director Weinberg, Water Resources Managers Yamada and Frieauf, Principal Water Resources Specialist Stadler, and Water Resources Specialist Schnell.

ADDITIONS TO THE 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 Tu welcomed those present and reviewed the meeting agenda, remarking upon the diversity of committee responsibilities that would be involved: facilities planning; grant funding; and drought management. She announced that June 2015 would be the first month the State Water Resources Control Board would require member agencies to meet individual conservation target, and that staff would return at the July 23, 2015 committee meeting with an update on member agencies' revised drought response ordinances and June 2015 water use numbers.

DIRECTORS' COMMENTS

There were no Directors' comments.

I. CONSENT CALENDAR

1. Professional Services Contract for additional planning for the Mission Trails and ESP-North County Pump Station Projects.

Staff recommendation: Authorize the General Manager to award a professional services contract to CH2M, in an amount not-to-exceed \$449,566, to complete planning studies for the Mission Trails and ESP-North County Pump Station projects.

Director Lewinger moved, Director Brady seconded, and the motion to approve staffs' recommendation passed unanimously.

II. ACTION/DISCUSSION

1. Update on water supply conditions and drought response activities.

Ms. Schnell provided a detailed report on State Water Project and Colorado River Aqueduct hydrology; potable water use in the Water Authority service area; historical and projected temperature data; NOAA's El Niño forecast for the 2015-2016 winter; and the State Water Resources Control Board's updated member agency conservation standards. Of note was the average daily temperature for May 2015, the first month below normal since October 2013. Ms. Harris provided remarks about the State Water Resources Control Board request for comments by July 1, 2015 on conservation water pricing. She also reviewed key points planned for Water Authority comments.

Staff responded to questions and comments from Directors Arant, Razak, Steiner, and Watton.

2. Authorization to submit the 2015 Integrated Regional Water Management Final Round implementation grant application: accept awarded grant funds; and distribute awarded grant funds to project sponsors.

Staff recommendation: Adopt Resolution No. 2015-_____ authorizing the General Manager to submit a 2015 Integrated Regional water management (IRWM) Final Round implementation grant application for \$31,131,415, accept the grant funds that are awarded, and enter into contracts to distribute the funds to the project sponsors.

Mr. Stadler presented a report that included a summary of San Diego IRWM Implementation Grants since 2008, and information on the 2015 IRWM Proposition 84 Grant Program, including a schedule that anticipated announcement of final awards in December 2015; the 2015 project selection process and criteria; and the recommended grant application package of \$31,131,415 for 13 projects.

Staff responded to questions and comments from Directors Guerin, Lewinger, Simpson and Steiner.

Director Brady moved, Director Evans seconded, and the motion to approve staffs' recommendation passed unanimously.

III. INFORMATION

The following information item was received and filed:

1. Water Resources report

IV. CLOSED SESSION

Mr. Hentschke took the committee into Closed Session at 11:20 a.m.

* Directors Croucher and Preciado arrived at 11:40 a.m. and 11:45 a.m., respectively.

Mr. Hentschke brought the committee out of Closed Session at 11:50 a.m. and stated there was no reportable action.

V. ADJOURNMENT

Chair Tu adjourned the meeting at 11:50 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, and Directors Barnum, Evans, Guerin*, Heinrichs, Hogan, Madaffer, Murtland, Olson, Roberts*, Steiner, Weston, and Wilson. Also present were Directors Arant, Ayala, Boyle, Brady, Croucher, Fong-Sakai, Gallo, Hall, Hilliker, Kennedy, Lewinger, Linden, Miller, Morrison, Preciado, Razak, Simpson, Tu, Watkins, and Williams. 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, Colorado River Program Director Denham and Engineer P.E. Poursadighi.

The agenda was then 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 1:45 p.m. and stated there was no reportable action.

* Directors Guerin and Roberts arrived during Closed Session.

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 Watton reported that the Governor had proposed a direction change for the Bay Delta Conservation Plan in late April, splitting the conveyance facility and habitat restoration measures into two separate efforts: California Water Fix, and California Eco Restore. As described in a Federal Registry notice rather than pursuing endangered species compliance through the Habitat Conservation Plan/Natural Community Conservation Plan that could provide a longer term permit assurance, a Biological Opinion pursuant to the federal Endangered Species Act section 7 and a corresponding State permit was being pursued for the California Water Fix. The Recirculated Draft Environmental Impact Report/Environmental Impact Statement of the California Water Fix and California Eco Restore was anticipated to be released in July 2015. Staff would evaluate the proposed changes once the documents became available and would report back to the committee.

He also reported that "Miracle May" brought much-needed rain to the Colorado River Basin. The Bureau of Reclamation forecasts indicated that May storms would result in an additional 2 million acre-feet of runoff to Lake Powell, which would help keep reservoir levels above critical elevations. Bureau predictions also indicated an above average release in 2016 from Lake Powell, which would help in keeping Lake Mead above its shortage level.

DIRECTORS' COMMENTS

There were no comments by Directors.

I. CONSENT CALENDAR

1. Authorize an amendment to the cost-sharing agreement for Colorado River Board funding.

Staff recommendation: Authorize the General Manger to execute an amendment to the joint powers agreement that extends the exiting proportional funding shares

of the six member agencies of the Colorado River Board (CRB) for the next five years (from July 1, 2015 to June 30, 2020).

Director Weston moved, Director Steiner seconded, and the motion to approve staffs' recommendation passed unanimously.

II. ACTION/DISCUSSION

1. Approve agreement with Brownstein Hyatt Farber Schreck, LLP, for special counsel services for fiscal years 2016 and 2017.

Staff recommendation: Authorize General Counsel to execute an agreement for legal and other professional services with Brownstein Hyatt Farber Schreck, LLP, for fiscal years 2016 and 2017 in a not-to-exceed amount of \$1,802,300 for retainer services, MWD rate litigation, and QSA related matters.

Mr. Hentschke provided an oral report on services to be provided by Brownstein Hyatt Farber Schreck, LLP.

Director Steiner moved, Director Murtland seconded, and the motion to approve staffs' recommendation passed unanimously.

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

The delegates reported on discussion and actions taken at the recent MWD board meetings. Following the report outs, Directors asked questions and made comments.

3. Colorado River Programs.
3-A Colorado River Board Representative's report.

Director Wilson reported on discussions at the June Colorado River Board meeting.

- 3-B Professional services contract with Amec Foster Wheeler Environment & Infrastructure, Inc. for As-needed Environmental Consulting and Habitat Restoration Services for the Coachella Canal Lining Post Construction Mitigation Projects.

Staff recommendation: Approve a professional services contract for a five-year term with Amec Foster Wheeler Environment & Infrastructure, Inc. to provide As-needed Environmental Consulting and Habitat Restoration Services for the Coachella Canal Lining Post Construction Mitigation Projects in an amount not to exceed \$3,000,000.

Ms. Poursadighi provided a brief background of the canal lining projects and reported on the status of the required mitigation projects. Following the presentation, Directors asked questions and made comments.

Director Steiner moved, Director Murtland seconded, and the motion to approve staffs' recommendation passed unanimously.

III. INFORMATION

The following information items were noted and filed:

1. Update on QSA JPA Modification of Payment Schedules.
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 2:21 p.m.

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

Chair Croucher called the Legislation, Conservation and Outreach Committee to order at 2:25 p.m. Committee members present were Chair Croucher, Vice Chairs Guerin and Steiner, and Directors Barnum, Gallo, Hall, Hilliker, Morrison, Preciado, Saxod, Tu and Representative Roberts. Committee members absent were Directors Madaffer and Muir. Other Board members present were Directors Arant, Ayala, Brady, Fong-Sakai, Heinrichs, Lewinger, Linden, Miller, Murtland, Olson, Razak, Simpson, Verbeke, 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 Resource Specialist Michelon, Water Resources Specialists Shumate and Swanson, and Public Affairs Representative II Lee. 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 speak.

CHAIR'S REPORT

Chair Croucher reported that as part of the Water Authority's Speakers Bureau program, and enhanced civic engagement efforts, the pace of presentations escalated this year, especially in the second quarter.

He announced the Water Authority's water-efficient garden exhibit at the 2015 San Diego County Fair had won seven awards. The exhibit was a re-creation of the Alcazar Garden in Balboa Park which demonstrated the principles of water conservation, low maintenance, greater sustainability and climate-appropriate plants on a scale accessible to homeowners.

I. CONSENT CALENDAR

1. Adopt positions on various state bills.

Staff recommendation:

1. Adopt a position of Support if Amended on SB 664 (Hertzberg).
2. Adopt a position of Support on SB 758 (Block).

Director Steiner moved, Director Hilliker seconded, and the motion to approve staffs' recommendation passed unanimously.

II. ACTION/DISCUSSION

1. Legislative Issues.

1-A Washington Report by Ken Carpi.

1-B Sacramento Report by Steve Cruz – Gonzalez, Quintana, Hunter & Cruz.

Mr. Cruz provided a Sacramento update that included a summary of the recently approved \$167 billion state budget. He provided updates on Water Authority sponsored bills AB 149 (Assemblymember Chavez), SB 208 (Senator Lara) and AB 349 (Assemblymember Gonzalez).

2. Turf Replacement and Other Alternatives for Drought Response and Supply Reliability.

Staff presented an overview of regional turf replacement programs, contrasting details from the Metropolitan Water District of Southern California's program and the Water Authority's program. Several topics were highlighted, including administrative and financial controls, adequacy of turf replacement as a near-term vs. a long-term water-saving measure, and discussion of other near-term drought-response concepts to help water agencies meet the state's February 2016 targets. Also discussed were risks from poorly executed turf replacement projects, and the multiple additional benefits that were possible with a more comprehensive approach consistent with the Water Authority's grant-funded Sustainable Landscapes Program.

III. INFORMATION

1. Presentation on Drought Response Communications and Outreach Update.

Mr. Lee provided an update on drought response communications and outreach efforts and highlighted recent activities of the "When in Drought" campaign. He reported that ad buys had been extended through summer, and presented two examples of commercials that were running. He reported that staff continued to expand community partnerships, including a co-branded campaign with the Port of San Diego, and partnerships with Armstrong Garden Centers and Media Services Agency World Wide for free billboards and shopping center signage.

He reported the Water Authority's whenindrought.org webpage increased its traffic by 400 percent over the prior two months, and added that the Water Authority had recently launched a bucket giveaway which was met with high demand.

Ms. Swanson reported the Water Authority had expanded landscape classes to include the WaterSmart Landscape Design for Homeowners, and was developing a program for landscape professionals. She reported that the Water Authority expanded its partnership with SDG&E for re-designed Residential Energy Savings Assistance Program which now included a home water education component.

She reported that staff was working on a regional water waste app and an online version of landscape classes for homeowners. She reported the Water Authority's e-Guide to a WaterSmart Lifestyle had seen a 55 percent increase in activity compared to the same time last year.

2. Quarterly Water Conservation Garden Report.

Director Linden provided an update on the Water Conservation Garden. He reported that the Garden hosted six Mayors at a June 1, 2015 news conference, and the Garden's classes had been at near full capacity since January 2015.

The following information items were received and filed:

3. Status Report on Legislation and Legislative Positions.
4. Small Contractor Outreach and Opportunities Program (SCOOP) Committee Quarterly Report.
5. Government Relations Update.
6. Quarterly report on Public Outreach and Conservation activities.
7. Presentation on State Budget Update.

Mr. Farrel presented a summary of the recently approved state budget which included budget trailer bills. He also provided an update on Proposition 1 funding.

IV. ADJOURNMENT

There being no further business to come before the Legislation, Conservation and Outreach Committee, Chair Croucher adjourned the meeting at 3:40 p.m.

FORMAL BOARD OF DIRECTORS' MEETING OF JUNE 25, 2015

1. **CALL TO ORDER** Chair Weston called the Formal Board of Directors' meeting to order at 3:42 p.m.
2. **SALUTE TO THE FLAG** Director Wornham led the salute to the flag.
3. **ROLL CALL, DETERMINATION OF QUORUM**
Secretary Madaffer called the roll. Directors present were Arant, Ayala, Barnum, Croucher, Evans, Fong-Sakai, Gallo, Guerin, Hall, Heinrichs, Hilliker, Hogan, Linden, Madaffer, Miller, Morrison, Murtland, Olson, Preciado, Razak, Saxod, Simpson, Steiner, Verbeke, Watton, Weston, Williams, Wilson, Wornham, and Representative Roberts. Directors absent were Brady, Boyle, Kennedy, Lewinger, Muir, Tu, and Watkins.

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

4. **ADDITIONS TO AGENDA**

There were no additions to the agenda.

* Director Watton left the meeting at 3:43 p.m., prior to the vote for approval of the minutes.

5. **APPROVAL OF MINUTES**

Director Evans moved, Director Hogan seconded, and the motion carried at 82.47% of the vote to approve the minutes of the Special Board of Directors' meeting of May 14, 2015 and the Formal Board of Directors' meeting of May 28, 2015.

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

There was one member of the public who wished to speak. She addressed the Board regarding the State mandated water restrictions.

7. **PRESENTATIONS AND PUBLIC HEARINGS**

There were no presentations or Public Hearings scheduled.

8. **REPORTS BY CHAIRS**

8-A **Chairs report:** Chair Weston reported on various meetings and engagements that he attended in the month of June including the SDCWA hosted Legislative Roundtable with Assembly Member Brian Jones and Senator Marty Block on May 29, 2015, a meeting with The League of Women Voters in North County on May 30, 2015, and the San Diego Regional Economic Development Corporation 50th anniversary annual dinner at SeaWorld on June 4, 2015. He stated that Budget Workshops were held June 9 and 11, 2015 and thanked staff for the excellent work completed on the budget and budget presentations. He announced the third Water Citizens Academy Class was complete, he stated how valuable the classes were and announced that the fourth class was being scheduled. He also reported that on June 19, 2015 the Senate and Assembly took final votes on the Budget.

Chair Weston concluded his report by announcing that the Board Officers and Legislation, Conservation and Outreach Committee Officers, were working together on developing additional meetings in Sacramento to build stronger relationships as the drought continues.

8-B **Report by Committee Chairs.**

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

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

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

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

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

9. **CONSENT CALENDAR**

Director Lewinger moved, Director Wilson seconded, and the motion carried at 82.47% 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. **Water Authority Business Insurance.**

The Board authorized the General Manager to purchase property insurance from Travelers Property Casualty Company of America in the amount of \$146,613, liability insurance from Alteris - Allied World Assurance Company in the amount of \$321,896, and workers' compensation from Special District Risk Management Authority (SDRMA) in the amount of \$274,445 for a total amount of \$742,954.

9- 3. **General Manager's Recommended Budget for Fiscal Years 2016 and 2017.**

The Board adopted the General Manager's Recommended Budget for Fiscal Years 2016 and 2017 and approved adoption of Resolution No. 2015-14, a Resolution of the Board of Directors of the San Diego County Water Authority approving the General Manager's Recommended Budget for Fiscal Years 2016 and 2017, for operations and capital improvements and appropriating \$1,498,828,514 consistent with the approved budget.

9- 4. **Adopt the Water Authority's rates and charges for calendar year 2016 and extend the Transitional Special Agricultural Water Rate Program.**

The Board conducted the Public Hearing; adopted Ordinance No. 2015-03, an ordinance of the Board of Directors of the San Diego County Water Authority setting rates and charges for the delivery and supply of water, use of facilities, and provision of services, and extending the Transitional Special Agricultural Water Rate Program; adopted Resolution No. 2015-15, a resolution of the Board of Directors of the San Diego County Water Authority continuing the Standby Availability Charge; and found the actions exempt from CEQA pursuant to Public Resources Code § 21080(b)(8) and authorized the General Manager to file a notice of exemption.

9- 5. **Amendment 3 to Professional services contract with Delta Systems Engineering, Inc. for As-needed Supervisory Control and Data Acquisition Software Maintenance.**

The Board approved Amendment 3 to the professional services contract with Delta Systems Engineering, Inc., to add one year to the term, changing the expiration date

from June 30, 2016 to June 30, 2017 and adding \$400,000 to the contract amount for a new contract amount of \$1,350,000 for continued as-needed Supervisory Control and Data Acquisition software maintenance services.

9- 6. Professional Services Contract for additional planning for the Mission Trails and ESP – North County Pump Station Projects.

The Board authorized the General Manager to award a professional services contract to CH2M, in an amount not-to-exceed \$449,566, to complete planning studies for the Mission Trails and ESP – North County Pump Station projects.

9- 7. Authorization to submit the 2015 Integrated Regional Water Management Final Round implementation grant application; accept awarded grant funds; and distribute awarded grant funds to project sponsors.

The Board adopted Resolution No. 2015-16, authorized the General Manager to submit a 2015 Integrated Regional Water Management (IRWM) Final Round implementation grant application for \$31,131,415, accepted the grant funds that are awarded and enter into contracts to distribute the funds to the project sponsors.

9- 8. Authorize an amendment to the cost-sharing agreement for Colorado River Board funding.

The Board authorized the General Manager to execute an amendment to the joint powers agreement that extends the existing proportional funding shares of the six member agencies of the Colorado River Board (CRB) for the next five years (from July 1, 2015 to June 30, 2020).

9- 9. Approve agreement with Brownstein Hyatt Farber Schreck, LLP, for special counsel services for fiscal years 2016 and 2017.

The Board authorized General Counsel to execute an agreement for legal and other professional services with Brownstein Hyatt Farber Schreck, LLP, for fiscal years 2016 and 2017 in a not-to-exceed amount of \$1,802,300 for retainer services, MWD rate litigation, and QSA related matters.

9- 10. Professional services contract with Amec Foster Wheeler Environment & Infrastructure, Inc. for As-needed Environmental Consulting and Habitat Restoration Services for the Coachella Canal Lining Post Construction Mitigation Projects.

The Board approved a professional services contract for a five-year term with Amec Foster Wheeler Environment & Infrastructure, Inc. to provide As-needed Environmental Consulting and Habitat Restoration Services for the Coachella Canal Lining Post Construction Mitigation Projects in an amount not to exceed \$3,000,000.

9- 11. Adopt positions on various state bills.

1. The Board adopted a position of Support if Amended on SB 664 (Hertzberg).
2. The Board adopted a position of Support on SB 758 (Block).

10. **ACTION/DISCUSSION**

11. **SPECIAL REPORTS**

- 11-A GENERAL MANAGER'S REPORT – Ms. Stapleton stated there was nothing to report.
- 11-B GENERAL COUNSEL'S REPORT – Mr. Hentschke stated there was nothing to report.
- 11-C SANDAG REPORT – Director Guerin reported on the actions and discussions at the last SANDAG Board meeting.
SANDAG Subcommittee: Borders/Regional Planning Committee – Director Saxod stated there was nothing to report as the meeting was cancelled.
- 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-A at 4:03 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

Conference with Labor Negotiator
Government Cod Government Code §54957.6
Agency Designated Representatives: Frank Belock, Gretchen Spaniol
Unrepresented Employees: Executive, Senior Management, and Confidential Groups

12-B **CLOSED SESSION:**

Conference with Legal Counsel - Existing Litigation
Government Code §54956.9(d)(1)
Name of Case: San Diego Coastkeeper v. SDCWA;
San Diego Superior Court Case No. 37-2014-00013216-CU-JR-CTL

12-C **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-D **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

Mr. Hentschke brought the Board out of Closed Session at 4:41 p.m.

13. **ACTION FOLLOWING CLOSED SESSION**

- 13- 1. **Approve amendments to the consolidated Memorandum of Understanding with the represented employees, approve amendments to the compensation plan for represented and unrepresented employees, and approve corresponding Classification and Salary Schedules.**


Adopt Resolution No. 2015-__, a resolution of the Board of Directors of the San Diego County Water Authority approving amendments to and extension of the consolidated memorandum of understanding with the Teamsters Local 911 Union representing the technical/support, professional/administrative, and managerial/ supervisory bargaining groups; approving compensation plan adjustments for executive, senior management, and confidential employees; and approving classification and salary schedules for the period from July 1, 2015 through June 30, 2019.

Director Wornham moved, Director Evans seconded, and the motion carried at 82.47% of the vote to approve Resolution No. 2015-17.

14. **OTHER COMMUNICATIONS**

15. **ADJOURNMENT**

The meeting was adjourned at 4:55p.m.



Mark Weston, Chair



Mark Muir, Vice Chair



Melinda Cogle, Clerk of the Board