

**MINUTES OF THE FORMAL BOARD OF DIRECTORS' MEETING  
SEPTEMBER 22, 2016**

**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, Vice Chairs Wilson and Razak\*, and Directors Cherashore, Fong-Sakai, Gallo\*, Hilliker\*, Kennedy, Muir\*, Verbeke, and Weston. Committee members absent were Directors Lewinger, Watkins, and Williams. Also present were Directors Barnum, Boyle, Hall, Heinrichs, Hogan, Madaffer, Miller, Olson, Saxod, and Tu. At that time, there was not a quorum of the Committee so Director Saxod was appointed as a proxy. The meeting was then conducted as a meeting of the Board; however, only committee members participated in the vote.

Staff present was General Manager Stapleton, General Counsel Hattam, Assistant General Manager Cushman, Director of Finance/Treasurer Harris, and Director of Administrative Services Brown. Also present was Kay Chandler, President of Chandler Asset Management.

**ADDITIONS TO AGENDA**

There were no additions to the agenda.

**PUBLIC COMMENT**

There were two members of the public, Dennis Shearer of Ameron Water Transmission Group and Hal Block of Musick, Peeler and Garrett on behalf of Ameron, who addressed the Board regarding Water Authority procurement activities specifically related to purchases of equipment manufactured outside of the country.

Chair Arant stated the speakers' comments would be addressed by the Engineering and Operations Committee, as they had jurisdiction over the item.

\* Vice Chair Razak and Director Muir arrived at 9:04 a.m. At that time, Director Saxod was released as proxy.

**CHAIR'S REPORT**

There was no Chair's report.

**DIRECTORS' COMMENTS**

There were no Directors' comments.

**I. CONSENT CALENDAR**

1. Monthly Treasurer's Report on Investments and Cash Flow.  
Staff recommendation: Note and file the monthly Treasurer's report.

Director Muir moved, Director Fong-Sakai seconded, and the motion to approve staffs' recommendation passed unanimously.

## **II. ACTION/DISCUSSION/PRESENTATION**

### **1. Investment Manager's Performance Report.**

Ms. Harris introduced Ms. Chandler of Chandler Asset Management Group. Ms. Chandler provided an Investment Manager's Performance Report for Water Authority investments through August 31, 2016. The report included a review of consolidated investment objectives and strategies, portfolio characteristics, and portfolio performance.

\* Directors Gallo and Hilliker arrived at 9:15 a.m.

Directors asked questions and Ms. Chandler and staff provided answers.

## **III. INFORMATION**

The following items were received and filed:

1. Controller's Report on Monthly Financial Statements.
2. Report on purchase orders and contracts for goods and services above \$10,000.
3. Board Calendar.

## **IV. CLOSED SESSION**

There were no Closed Session items.

## **V. ADJOURNMENT**

There being no further business to come before the Administrative and Finance Committee, Chair Arant adjourned the meeting at 9:18 a.m.

## **WATER PLANNING COMMITTEE**

### **CALL TO ORDER/ROLL CALL**

Director Tu called the Water Planning Committee meeting to order at 9:28 a.m. Committee members present were Chair Tu, Vice Chairs Brady\* and Evans\*, and Directors Ayala, Boyle, Cherashore, Fong-Sakai, Hall, Kennedy, Linden, Miller, Murtland\* and Simpson\*. Committee members absent were Directors Lewinger and Preciado. Also present were Directors Arant, Barnum\*, Gallo, Guerin\*, Heinrichs, Hilliker, Hogan, Madaffer\*, Muir, Olson, Razak, Saxod, Steiner\*, Verbeke, Watkins, Weston 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 Hattam, Assistant General Manager Cushman, Water Resources Director Yamada and Water Resources Manager Friehauf.

## **ADDITIONS TO THE AGENDA**

There were no additions to the agenda.

\* Directors Barnum and Simpson arrived at 9:30 a.m.

## **PUBLIC COMMENT**

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

## **CHAIR'S REPORT**

Director Tu welcomed those present and announced that the State's Division of Drinking Water released the public review Draft Report to the State Legislature on the Feasibility of Developing Criteria for Direct Potable Reuse, and two related public workshops were scheduled for October 4 and 6, 2016. She added that public comments would be due October 25, 2016, and staff would provide an update at the October 27, 2016, committee meeting.

\* Directors Brady and Guerin arrived at 9:34 a.m.

## **DIRECTORS' COMMENTS**

There were no Directors' comments.

### **I. CONSENT CALENDAR**

1. Resolution for Integrated Regional Water Management Proposition 1 Planning Grant Staff recommendation: Adopt Resolution No. 2016-17 authorizing the General Manager to submit a 2016 Integrated Regional Water Management Proposition 1 planning grant applicant for \$250,000, accept the grant funds that are awarded, and enter into a contract to distribute the funds to the project sponsor.

\* Director Steiner arrived at 9:40 a.m.

Director Ayala moved, Director Kennedy seconded, and the motion to approve staffs' recommendation passed unanimously.

\* Directors Evans and Madaffer arrived at 9:54 a.m. and 9:56 a.m., respectively, and Director Murtland arrived at 10:09 a.m.

### **II. ACTION/DISCUSSION/PRESENTATIONS**

1. Implementation of Governor's Executive Order regarding Long-Term Water Use Efficiency and Strengthening Water Shortage Contingency Plans.

Ms. Friehauf presented information on directives of California Governor Brown's May 2016 Executive Order on long-term water use efficiency and reviewed a detailed outline of the Department of Water Resources and State Water Resources Control Board's proposal for implementation. Staff responded to questions and comments by Directors.

**III. INFORMATION**

The following information item was received and filed:

1. Water Resources report.

**IV. CLOSED SESSION**

There were no Closed Session items.

**V. ADJOURNMENT**

There being no further business to come before the Water Planning Committee, Chair Tu adjourned the meeting at 10:31 a.m.

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

Vice Chair Saxod called the Imported Water Committee meeting to order at 10.37 a.m. Committee members present were Vice Chairs Saxod and Verbeke, and Directors Barnum, Evans, Guerin, Heinrichs, Hogan, Madaffer, Murtland, Olson, Steiner, Weston, and Wilson. Committee members absent were Chair Watton and Supervisor Roberts. Also present were Directors Arant, Ayala, Brady, Croucher, Fong-Sakai, Gallo, Hilliker, Kennedy, Lewinger, Linden, Miller, Morrison, Muir, Razak, Tu, 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 was General Manager Stapleton, General Counsel Hattam, 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**

Meena Westford, Metropolitan Water District Special Projects Manager, spoke to the Board regarding a presentation made at the Imported Water Committee's meeting on August 25, 2016.

**CHAIR'S REPORT**

Vice Chair Saxod announced on August 31, 2016, the Department of Interior and the California Department of Natural Resources signed a Memorandum of Understanding (MOU) regarding coordination of activities to manage the Salton Sea. She stated the purpose of the MOU was to ensure long-term State and Federal coordination on projects to improve air and water quality; and the federal government had committed \$30 million in project funding over the next 10 years.

Vice Chair Saxod updated the Board on the Water Resources Development Act (WRDA) of 2016 for the Salton Sea explaining Senate approved SB 2848, which authorized

funding for navigation and planning programs for the U.S. Army Corps of Engineers. She stated the Senate Bill also included a provision related to the Salton Sea that would allow the Army Corps to work with the Salton Sea Authority and others on environmental mitigation planning, and this would change the status of the program from a temporary pilot program to a permanent authority for the Corps. She also said the House Committee of Transportation and Infrastructure approved its version of WRDA in May 2016 and expected to vote on the bill soon after Election Day. She stated both the MOU and WRDA were positive efforts towards State and Federal partnerships moving things at the Salton Sea, which would allow planned “shovel-ready” projects to proceed at the Salton Sea.

Lastly, she gave an update on the Bay Delta and California WaterFix and mentioned recent press coverage that put into question the agricultural contractor’s ability to pay for the WaterFix, without at least \$3.9 billion of financial contribution from the Federal Government. She explained the disclosure came from a draft 2015 cost-benefit analysis of California WaterFix prepared by the Brattle Group that was uncovered through a Public Records Act request issued by Restore the Delta. She also noted that the study’s analysis was based on the assumption that project benefits would last for 50 years, which a Section 7 Endangered Species Act permit could not guarantee. She concluded that she was more concerned as there were email exchanges between the Brattle Group, Department of Water Resources, and the Hallmark Group suggesting that the Battle Group was working on additional analysis, which would include an “exit ramp alternative” and “capacity auctions.”

#### **DIRECTORS’ COMMENTS**

There were no Directors’ comments.

#### **I. CONSENT CALENDAR**

There were no consent calendar items.

#### **II. ACTION/DISCUSSION**

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

The delegates reported on discussion and action taken at recent MWD board meetings.

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

Director Brady reported on discussion at the September 14, 2016 Colorado River Board meeting, which was held at the Weymouth Water Treatment Plant and was hosted by MWD.

3. Metropolitan Water District’s Treatment Fixed Charge.

Ms. Chen presented Metropolitan's Water District's Treatment Fixed Charges reviewing background, current process and key issues. Directors asked questions and made comments.

### **III. INFORMATION**

The following information item was received and filed:

1. Metropolitan Water District Program Report.

Mr. Hattam took the Committee into Closed Session at 11:06 a.m.

### **VI. CLOSED SESSION**

1. 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; CPF-14-514004; BS161729;  
A146901; and A148266

Mr. Hattam brought the Committee out of Closed Session at 12:11 p.m. and stated there was no reportable action.

### **V. ADJOURNMENT**

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

## **ENGINEERING AND OPERATIONS COMMITTEE**

### **CALL TO ORDER / ROLL CALL**

Chair Williams called the Engineering and Operations Committee meeting to order at 1:05 p.m. Committee members present were Chair Williams, Vice Chairs Miller and Watkins, and Directors Arant, Ayala, Boyle, Brady, Croucher, Heinrichs, Hogan, Olson, Razak, and Simpson. Committee members absent were Directors Linden and Morrison. Also present were Directors Barnum, Cherashore, Evans, Fong-Sakai, Gallo, Guerin, Hall, Hilliker, Madaffer, Muir, Murtland, Saxod, Steiner, Tu, Verbeke, Watton, and Weston. At that time, there was a quorum of the Board, and the meeting was conducted as a meeting of the Board; however, only committee members participated in the vote.

Staff present was General Manager Stapleton, General Counsel Hattam, Assistant General Manager Cushman, Director of Operations and Maintenance Fisher, Director of Engineering Reed, Senior Engineering Manager Bousquet, Principal Engineer Griffis, Senior Engineer Kavanagh, and Right of Way Supervisor Brierton.

#### **IV. CLOSED SESSION**

At that time the agenda was taken out of order and Mr. Hattam took the committee into Closed Session at 1:06 p.m.

1. Conference with Legal Counsel – Existing Litigation  
Government Code §54956.9(d)(1)  
Name of Case: Traylor-Shea Joint Venture v. SDCWA;  
San Diego Superior Court Case No. 37-2011-00092666-CU-BC-CTL
  
2. Conference with Legal Counsel – Existing Litigation  
Government Code §54956.9(d)(1)  
Name of Case: Shimmick Construction Co., Inc./Obayashi Corp., joint venture  
v. SDCWA; San Diego Superior Court Case No. 37-2014-00026740-CU-BC-  
CTL; and Riverside Superior Court Case No. RIC1609196

Mr. Hattam brought the committee out of Closed Session at 1:28 p.m. and reported that the Committee approved a settlement of the Traylor-Shea Joint Venture existing litigation that had been signed by Traylor-Shea with the following main substantive terms: Traylor-Shea would dismiss with prejudice its complaint, the Water Authority would pay Traylor-Shea \$35 million in settlement, and the Water Authority would dismiss its request for False Claims, with appropriate releases including certain carve-outs. The Committee recommended adding \$9.7 million to the 2016/2017 CIP Appropriation.

#### **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 there was a Special Engineering and Operations Committee meeting on September 8, 2016 where discussion continued on the San Vicente Energy Storage Facility Study. He stated the Energy Subcommittee would meet in October to consider input from the Special meeting, and Subcommittee Chair Hogan would provide a report at the October 27, 2016 Engineering and Operations Committee meeting. He also announced that the San Vicente Marina had officially opened.

In addition, he reported that the Emergency and Carryover Storage Project received two more awards: The 2016 American Public Works Association, San Diego and Imperial Counties Chapter, Project of the Year; and the American Society of Civil Engineers' 2017 Outstanding Civil Engineering Achievement award.

**I. CONSENT CALENDAR**

1. Professional services contract with PICA Pipeline Inspection and Condition Analysis Corp. (USA) for pipeline condition assessment of the La Mesa Sweetwater Extension pipeline.

Staff recommendation: Authorize the General Manager to award a professional services contract to PICA Pipeline Inspection and Condition analysis Corp. (USA) for the condition assessment approximately 5 miles of La Mesa Sweetwater Extension pipeline, for a total not-to-exceed amount of \$401,170.

2. Procurement contract with VAG USA LLC to purchase a plunger valve for the San Diego-12 Flow Control Facility.

Staff recommendation: Authorize the General Manager to award a contract to VAG USA LLC to purchase a plunger valve for the San Diego-12 Flow Control Facility, for a total not-to-exceed amount of \$375,000.

Director Ayala moved, Director Heinrichs seconded, and the motion to approve staffs' recommendations passed unanimously.

**II. ACTION/DISCUSSION/PRESENTATION**

1. Construction contract with Kiewit Infrastructure West Co. for the Carlsbad 6 Flow Control Facility project to replace the existing Carlsbad 1 facility.

Staff recommendation: Authorize the General Manager to award construction contract to Kiewit Infrastructure West Co. in the amount of \$2,786,250 for the Carlsbad 6 Flow Control Facility project to replace the existing Carlsbad 1 facility.

Mr. Griffis gave a presentation on the Carlsbad 6 Flow Control Facility project including location and overview of the project, bid results, and staffs' recommendation.

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

2. Right of Way Encroachment Removal update.

Mr. Brierton presented a brief overview of the Right of Way Encroachment removal program. This included a brief program history, photos and information regarding the top two and most recently resolved encroachments, status of remaining top encroachments, and current Right of Way management practices to deter future encroachments.

**III. INFORMATION**

There were no Information items.



**V. ADJOURNMENT**

There being no further business to come before the Engineering and Operations Committee, Chair Williams adjourned the meeting at 1:52 p.m.

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

Chair Croucher called the Legislation, Conservation and Outreach Committee to order at 2:02 p.m. Committee members present were Chair Croucher, Vice Chairs Guerin and Steiner, and Directors Gallo, Hall, Hilliker, Madaffer, Morrison\*, Muir, Saxod, Tu and Supervisor Roberts. Committee member absent was Director Preciado. Other Board members present were Directors Arant, Ayala, Brady, Cherashore, Evans, Fong-Sakai, Heinrichs, Hogan, Miller, Murland, Olson, Razak, Simpson, Verbeke, Watkins, Weston 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 were General Manager Stapleton, General Counsel Hattam, Assistant General Manager Cushman, Director of Public Outreach and Conservation Foster, Government Relations Manager Farrel, Public Affairs Supervisor Penunuri and Sr. Public Affairs Representative Lee. Also present were legislative representatives Ken Carpi and 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 on September 2, 2016 the Water Authority hosted a legislative roundtable event with Congressman Scott Peters. He stated there was a full audience and discussion on a variety of water-related issues.

He announced that he would be joining Directors Madaffer, Guerin and Colorado River Program Director Denham in Washington, D.C. as a part of the San Diego Regional Chamber of Commerce Delegation, as part of the "Mission to Washington, D.C." annual trip September 25 – 28, 2016.

He also announced that the Qualified Water-Efficient Landscaper training program had rolled out a Spanish version on September 8, 2016, and industry demand for additional classes continued to grow.

\* Director Morrison arrived at 2:32 p.m.

**I. CONSENT CALENDAR**

1. Amendment to the professional services agreement with WSA Marketing for continued implementation of the Qualified Water Efficient Landscaper (QWEL) training program.

Staff recommendation: Authorize the General Manager to execute an amendment to the professional services contract with WSA Marketing for \$100,000, increasing the authorized cumulative contract amount from \$146,500 to an amount not to exceed \$246,500, to continue implementation of the Qualified Water Efficient Landscaper (QWEL) training program through June 2017.

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

**II. ACTION/DISCUSSION/PRESENTATION**

1. Legislative Issues.

1-A Washington Report by Ken Carpi.

Mr. Carpi provided a Washington update, including an update on legislation relating to the California drought and upcoming election.

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

Mr. Cruz provided a Sacramento update. He reported that the Legislature had adjourned for the year, and that 800 bills were sent to the Governor's office for approval. Two Water Authority-sponsored bills were included; AB 33 (Quirk) regarding long-duration bulk energy storage resources, and AB 2515 (Weber) regarding model water-efficient landscaping ordinances.

1-C Sacramento Year in Review.

Mr. Farrell presented highlights of the 2016 Legislative session, including a review of the number of position bills for the Water Authority over the past 10 years. He also presented a summary of major issues on the 2017 State Legislative session horizon and upcoming changes in the San Diego legislative delegation.

2. A Resolution of Opposition to Proposition 53 – the No Blank Checks Initiative.  
Staff recommendation: Adopt Resolution No. 2016-18 opposing Proposition 53, the No Blank Checks Initiative.

Mr. Farrell provided the Board with a review of the background, provisions, identified issues, proponents, and opponents of Proposition 53.

Director Steiner moved, Director Tu seconded, and the motion to approve staff's recommendation passed. Director Hilliker abstained.

3. Small Contractor Outreach and Opportunities Program (SCOOP) annual report.

Ms. Penunuri presented the SCOOP annual report for fiscal year 2016; she reported there were more contracts awarded this fiscal year, with 89 contracts awarded in fiscal year 2015 and 200 in fiscal year 2016. However, there was a lower total in contract amounts, from \$65 million in fiscal year 2015 to \$56 million in fiscal year 2016. She also reported that the SCOOP participation goal of 30 percent was not met this fiscal year, reaching only 28 percent participation in fiscal year 2016.

4. Live WaterSmart Campaign Update.

Mr. Lee provided an update of the Live WaterSmart campaign, which included a review of new bill stuffers, partnerships, outreach efforts and advertising. He reported that the campaign had been translated into various languages, and stated that staff was developing partnerships and sponsorships to continue the campaign.

### III. INFORMATION

1. Quarterly Water Conservation Garden Report.

Director Verbeke reported on the upcoming Enchanted Garden Gala and encouraged board members to attend.

The following information items were received and filed:

2. Status Report on Legislation and Legislative Positions.
3. Government Relations Update.
4. Quarterly report on Public Outreach and Conservation activities.

### IV. ADJOURNMENT

There being no further business to come before the Legislation, Conservation and Outreach Committee, Chair Croucher adjourned the meeting at 2:57 p.m.

#### **FORMAL BOARD OF DIRECTORS' MEETING OF SEPTEMBER 22, 2016**

1. **CALL TO ORDER** Chair Weston called the Formal Board of Directors' meeting to order at 3:02 p.m.
2. **SALUTE TO THE FLAG** Director Morrison led the salute to the flag.
3. **ROLL CALL, DETERMINATION OF QUORUM**  
Secretary Madaffer called the roll. Directors present were Arant, Ayala, Barnum, Cherashore, Croucher, Evans, Fong-Sakai, Gallo, Guerin, Hall, Heinrichs, Hilliker, Hogan, Madaffer, Miller, Morrison, Muir, Murtland, Olson, Razak, Saxod, Simpson, Steiner, Tu, Verbeke, Watkins, Williams, and Weston. Directors absent were Boyle, Brady, Kennedy, Lewinger (p), Linden (p), Preciado, Watton, Wilson and Supervisor Roberts.

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

4. **ADDITIONS TO AGENDA**

There were no additions to the agenda.

5. **APPROVAL OF MINUTES**

Director Ayala moved, Director Evans seconded, and the motion carried at 77.28% of the vote to approve the minutes of the Formal Board of Directors' meeting of August 25, 2016. Director Hall abstained from the vote.

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 who wished to speak.

7. **PRESENTATIONS & PUBLIC HEARINGS**

7-A Presentation of Directors' Service Certificates.

Chair Weston presented Directors' Service Certificates to Directors Arant, Hogan, and Morrison for 10 years of service, and Director Croucher for 15 years of service, to the Water Authority Board of Directors.

8. **REPORTS BY CHAIRS**

8-A Chairs report: Chair Weston reported on various meetings and engagements he attended during the month of September, including the Energy Sub-committee meeting, the Legislative Roundtable event on September 2 with Congressman Scott Peters, the seventh Citizens Water Academy graduation on September 17, and the City of San Diego dedication of the San Vicente Marina and Recreational Facilities on September 21. He added that he would also be attending the South County Annual EDC luncheon on September 30 at the San Diego Convention Center.

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

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

**Water Planning Committee.** Director Tu reviewed the meeting and the action taken.

**Imported Water Committee.** Director Saxod reviewed the meeting and stated that no action was taken.

**Engineering and Operations Committee.** Director Williams reviewed the meeting and the action taken

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

9. **CONSENT CALENDAR**

Director Tu moved, Director Barnum seconded, and the motion carried at 80.82% of the vote to approve the consent calendar. Directors voting no or abstaining are listed under the item number.

- 9- 1. Monthly Treasurer's Report on Investments and Cash Flow.  
The Board noted and filed monthly Treasurer's Report.
- 9- 2. Resolution for Integrated Regional Water Management Proposition 1 Planning Grant.  
The Board adopted Resolution No. 2016-17 authorizing the General Manager to submit a 2016 Integrated Regional Water Management (IRWM) Proposition 1 planning grant application for \$250,000, accept the grant funds that are awarded, and enter into a contract to distribute the funds to the project sponsor.
- 9- 3. Professional services contract with PICA Pipeline Inspection and Condition Analysis Corp. (USA) for pipeline condition assessment of the La Mesa Sweetwater Extension pipeline.  
The Board authorized the General Manager to award a professional services contract to PICA Pipeline Inspection and Condition Analysis Corp. (USA) for the condition assessment of approximately 5 miles of the La Mesa Sweetwater Extension pipeline, for a total not-to-exceed amount of \$401,170.
- 9- 4. Procurement contract with VAG USA LLC to purchase a plunger valve for the San Diego-12 Flow Control Facility.  
The Board authorized the General Manager to award a contract to VAG USA LLC to purchase a plunger valve for the San Diego-12 Flow Control Facility, for a total not-to-exceed amount of \$375,000.
- 9- 5. Construction contract with Kiewit Infrastructure West Co. for the Carlsbad 6 Flow Control Facility project to replace the existing Carlsbad 1 facility.  
The Board authorized the General Manager to award a construction contract to Kiewit Infrastructure West Co. in the amount of \$2,786,250 for the Carlsbad 6 Flow Control Facility project to replace the existing Carlsbad 1 facility.
- 9- 6. Settlement agreement with Traylor-Shea Joint Venture regarding San Diego Superior Court Case No. 37-2011-00092666-CU-BC-CTL.  
The Board approved a settlement of the Traylor-Shea Joint Venture existing litigation that had been signed by Traylor-Shea with the following main substantive terms: Traylor-Shea will dismiss with prejudice its complaint, the Water Authority will pay Traylor-Shea \$35 million in settlement, and the Water Authority will dismiss its request for False Claims, with appropriate releases with certain carve-outs. Add \$9.7 million to the 2016/2017 CIP Appropriation.

- 9- 7. Amendment to the professional services agreement with WSA Marketing for continued implementation of the Qualified Water Efficient Landscaper (QWEL) training program.  
The Board authorized the General Manager to execute an amendment to the professional services contract with WSA Marketing for \$100,000, increasing the authorized cumulative contract amount from \$146,500 to an amount not to exceed \$246,500, to continue implementation of the Qualified Water Efficient Landscaper (QWEL) training program through June 2017.
- 9- 8. A Resolution of Opposition to Proposition 53 – the No Blank Checks Initiative.  
The Board adopted Resolution No. 2016-18 opposing Proposition 53, the No Blank Checks Initiative.

Directors Hilliker, Murtland, and Williams voted no on item 9- 8.

10. **ACTION/DISCUSSION**

10-A Appointment and Confirmation of Director Elsa Saxod to the Metropolitan Water District of Southern California Board of Directors.

Chair Weston expressed his thanks to Director Tu for her service as a Board Member on the MWD Board of Directors and thanked Director Saxod for her upcoming service.

Director Arant moved, Director Tu seconded, and the motion carried at 80.82% of the vote to approve the appointment of Director Saxod to the MWD Board of Directors.

10-B Election of Board Officers for October 1, 2016 – September 30, 2018.

The following Board Members were nominated:

Chair: Mark Muir  
Vice Chair: Jim Madaffer  
Secretary: Gary Croucher

Director Hall moved, Director Steiner seconded, and the motion carried at 80.82% of the vote to elect the recommended Board Officers for a two-year term beginning October 1, 2016.

10-C Presentation to Outgoing Chair Weston.

Vice Chair Muir and Secretary Madaffer thanked Chair Weston for his service as Chair of the Board over the prior two years and reviewed major accomplishments achieved during his time of service. They presented Chair Weston with outgoing gifts of appreciation on behalf of the Board of Directors.

Chair Weston expressed his appreciation for the opportunity to serve as Board Chair over his two year term. He thanked the Board Officers, Board Members and Staff for support during his term as Board Chair and reviewed highlights and achievements accomplished during his two year service period.

11. **SPECIAL REPORTS**

11-A GENERAL MANAGER'S REPORT – Ms. Stapleton stated she had nothing further to report.

11-B GENERAL COUNSEL'S REPORT – Mr. Hattam stated he had nothing further to report.

11-C SANDAG REPORT – Vice Chair Muir provided a report on communications at the SANDAG meeting including a review of the Economical Report released.  
SANDAG Subcommittee: Borders/Regional Planning Committee – Director Saxod stated she had nothing to report.

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

12. **CLOSED SESSION(S)**

Mr. Hattam stated there was no need for closed session.

12-A 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; CPF-14-514004; BS161729; BS164526; A146901; and A148266

12-B Conference with Legal Counsel – Existing Litigation  
Government Code §54956.9(d)(1)  
Name of Case: Traylor-Shea Joint Venture v. SDCWA;  
San Diego Superior Court Case No. 37-2011-00092666-CU-BC-CTL

12-C Conference with Legal Counsel – Existing Litigation  
Government Code §54956.9(d)(1)  
Name of Case: Shimmick Construction Co., Inc./Obayashi Corp., joint venture v. SDCWA;  
San Diego Superior Court Case No. 37-2014-00026740-CU-BC-CTL; and  
Riverside Superior Court Case No. RIC1609196

13. **ACTION FOLLOWING CLOSED SESSION**

14. **OTHER COMMUNICATIONS**

15. **ADJOURNMENT**

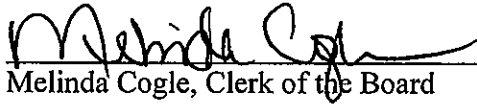
The meeting was adjourned at 3:40 p.m.



Mark Muir, Chair



Gary Croucher, Secretary



Melinda Cogle, Clerk of the Board