MINUTES OF THE FORMAL BOARD OF DIRECTORS’ MEETING
JANUARY 26, 2017

ADMINISTRATIVE AND FINANCE COMMITTEE
CALL TO ORDER / ROLL CALL
Chair Saxod called the Administrative and Finance Committee meeting to order at 9:05 a.m. Committee members present were Chair Saxod, Vice Chairs Arant and Wilson, and Directors Ayala, Cherashore*, Gallo, Guerin, Hall, Hedberg, Heinrichs, Murtland, and Watkins. Committee members absent were Directors Croucher and Simpson. Also present were Directors Boyle, Butkiewicz, Evans, Fong-Sakai, Hilliker, Hogan, Kennedy, Lewinger, Madaffer, Miller, Muir, Olson, Razak, Scalzitti, Smith, Steiner, 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 Hattam, Deputy General Manager Kerl, Assistant General Manager Cushman, Director of Finance/Treasurer Harris, Director of Administrative Services Brown, Budget and Analysis Manager Whyte, and Controller Woidzik.

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
There was no Chair’s report.

DIRECTORS’ COMMENTS
There were no Directors’ comments.

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

   Director Ayala moved, Director Murtland seconded, and the motion to approve staffs’ recommendation passed unanimously.

II. ACTION/DISCUSSION/PRESENTATION
1. Development of the upcoming Fiscal Years 2018 and 2019 Recommended Budget.

   Ms. Stapleton provided a presentation on the item intended to solicit input from
the Board on the development of the upcoming multi-year budget. The presentation provided an overview of the Water Authority, reviewed the framework of the current budget, highlighted accomplishments to date, identified key factors impacting the upcoming budget, discussed the upcoming Board schedule, and requested Board direction for the upcoming budget.

*Director Cherashore arrived at 9:10 a.m.

Directors asked questions and staff provided answers.

Chair Saxod thanked Ms. Stapleton for the presentation and commended the Board and staff on the achievements of the past two years, specifically for achieving a AAA financial rating and $78.3 million (based on present value) in debt refunding savings.

Director Olson requested more information on existing energy projects. Ms. Stapleton replied that staff will provide an accounting of energy project revenues and expenditures.

Director Razak requested a projection of number of staff positions into the future.

Director Razak requested information on the impact of the Bay-Delta Fix on water rates. Ms. Stapleton replied the Bay-Delta Fix Financing Plan is due in 2017 and would be shared with the member agencies when it becomes available to address its impacts.

III. INFORMATION
The following items were noted and filed:
1. Board of Directors’ fourth quarter 2016 Expenses and Attendance.
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 Saxod adjourned the meeting at 9:41 a.m.

LEGISLATION, CONSERVATION AND OUTREACH COMMITTEE
CALL TO ORDER/ROLL CALL
Chair Guerin called the Legislation and Public Outreach Committee to order at 9:51 a.m. Committee members present were Chair Guerin, Vice Chairs Hall and Tu, Directors Arant, Butkiewicz, Evans, Gallo, Hilliker, Madaffer, Muir, Scalzitti and Steiner. Committee members absent were Director Croucher, Morrison and Supervisor Gaspar. Also present were Directors Ayala, Boyle, Cherashore, Fong-Sakai, Hedberg, Heinrichs, Hogan, Kennedy, Lewinger, Miller, Murfland, Olson, Razak, Saxod, Simpson, Smith, Watkins 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 were General Manager Stapleton, General Counsel Hattam, Deputy General Manager Kerl, Assistant General Manager Cushman, Director of Public Outreach and Conservation Foster, Government Relations Manager Farrel, Senior Public Affairs Representative Lee and Water Resources Specialist German.

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 Guerin reported that the State Legislature was back in session for the 2017-2018 legislative session. She reported that since they reconvened on January 4, 2017 there were new committee assignments in both the State Assembly and State Senate, a new proposed State Budget, and that the Governor provided his annual State-of-the-State address.

She announced that January 3, 2017 was the beginning of the 115th Congressional session, which included the inauguration of President Donald Trump on January 20.

She also reported that the Government Relations staff was developing two upcoming events for the Board Officers and Legislation and Public Outreach Committee leadership, including a Sacramento advocacy trip and a Water Authority Legislative Team Planning Session.

I. CONSENT CALENDAR
There were no consent calendar items.

II. ACTION/DISCUSSION/PRESENTATION
1. Legislative Issues.


1-B Sacramento Report

Mr. Farrel provided a Sacramento update, including an overview of the state budget, San Diego Senate and Assembly Delegation changes, the California Rebuild package of senate infrastructure-related bills and key emerging issues for 2017.

1-C Sponsor Legislation regarding long-term water use efficiency.
Staff recommendation: Approve sponsorship of legislation regarding long-term water use efficiency.
Mr. Farrel provided a review of prior Board action regarding legislation and provided an overview of issues pertaining to long-term water use efficiency in relationship to legislation.

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


Mr. Farrel presented an overview of the Water Authority’s Federal Legislative Priorities for the coming year. He requested suggestions for revisions and modifications from Board Members and member agencies be submitted to him by February 6, 2017. He reported that staff would present the proposed final Federal Legislative Priorities for the Board’s consideration at the February Board meeting.

3. Live WaterSmart Campaign Update.

Mr. Lee presented an overview of the “Live WaterSmart” campaign, including outreach tactics and partnerships and presented the Board with campaign result information regarding reduction in water use and website page views. Ms. German presented an overview of the campaign results for the WaterSmart checkups, rain barrel events, landscaping classes and the Sustainable Landscapes Program. She also reviewed the next steps of the campaign, which include hotel laundry reminders, plant fairs, and announcements at SDSU.

III. INFORMATION
The following information item was received and filed:
1. Government Relations Update.

IV. ADJOURNMENT
There being no further business to come before the Legislation and Public Outreach Committee, Chair Guerin adjourned the meeting at 10:45 a.m.

WATER PLANNING COMMITTEE
CALL TO ORDER/ROLL CALL
Chair Cherashore called the Water Planning Committee meeting to order at 10:52 a.m. Committee members present were Chair Cherashore, Vice Chairs Boyle and Evans, and Directors Ayala, Boyle, Barnum, Brady, Hedberg, Kennedy, Lewinger, Muir, Preciado*, Razak, Smith, and Tu. Committee member absent was Director Weston. Also present were Directors Arant, Butkiewicz, Croucher*, Fong-Sakai, Gallo, Guerin, Hall, Heinrichs, Hilliker, Hogan, Madaffer, Miller, Murtland, Olson, Saxod, Scalziitti, Simpson, Steiner, Watkins 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, Deputy General Manager Kerl, Assistant General Manager Cushman, Water Resources Director Yamada, Public
Outreach and Conservation Director Foster, Colorado River Program Director Denham, Water Resources Managers Friehauf and Roy, Principal Water Resources Specialist Bombardier, and Clerk of the Board Cogle.

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
Director Cherashore welcomed those present. He thanked the Board Officers for the opportunity to serve as Water Planning Committee Chair for 2017 through 2018, Chair Tu for her prior two years’ leadership, and Directors Boyle and Evans for agreeing to serve as Committee Vice Chairs. He announced that, going forward, the Water Planning Committee scope of responsibility would be broadened to include water use efficiency and conservation.

DIRECTORS’ COMMENTS
There were no Directors’ comments.

I. CONSENT CALENDAR
There were no consent calendar items.

*Directors Preciado and Croucher arrived at 11:05 a.m. and 11:15 a.m., respectively.

II. ACTION/DISCUSSION/PRESENTATIONS
1. Update on water supply conditions and drought response activities.

   Mr. Bombardier presented graphs and information on regional, state and local precipitation, storage, and forecasts through January 2017, including record-setting levels and favorable supply conditions. Staff responded to questions from Directors Lewinger and Preciado.

2. Update on extension of State Water Resources Control Board Emergency Regulation.
   a. Approve a Resolution declaring an end to drought conditions in San Diego County.
      Staff recommendation: Consider approval of a resolution declaring an end to the drought emergency in San Diego County and imploring Governor Brown and the State Resources Control Board to end the statewide drought emergency and rescind drought emergency water use regulations for areas no longer in drought conditions.
Ms. Friehauf presented a summary of key state actions taken on drought response from January 2014 through May 2016, including the recent proposal by State Water Resources Control Board staff to extend the existing emergency regulation through October 2017, despite widespread support by agencies, including the Water Authority, to allow the regulation to expire in February. She then reviewed current hydrologic conditions and information that supported this position. She reported the State Board would render its decision at its February 8, 2017, meeting.

Director Barnum moved and Director Muir seconded a motion to approve the staff recommendation. During the discussion, staff responded to questions and comments posed by Directors Barnum, Guerin, Boyle, Hilliker, Evans, Boyle, Croucher, Muir, Madaffer, Fong-Sakai and Arant. Board Chair Muir suggested the state develop an objective matrix as a tool for determining and communicating whether or not the state is in drought. Director Brady brought forth a point of order concerning the timing of the committee agenda change to include the staff recommendation and the distribution of supplemental materials regarding the proposed Resolution, to which Mr. Hattam and Ms. Stapleton responded satisfactorily. The motion carried among committee members with abstention from Directors Tu, Razak, and Preciado.

At 11:46 a.m. Board Chair Muir requested that, due to the full discussion on this item, that Committee Chair Cherashore convene the full Board for consideration of and action on this item.

**FORMAL BOARD OF DIRECTORS’ ROLL CALL.**
Clerk Cogle conducted the roll call of the full Board. Directors present were Arant, Ayala, Barnum, Boyle, Brady, Butkiewicz, Cherashore, Croucher, Evans, Fong-Sakai, Gallo, Guerin, Hall, Hedberg, Heinrichs, Hilliker, Hogan, Kennedy, Lewinger, Madaffer, Miller, Muir, Murtland, Olson, Preciado, Razak, Saxod, Scalzitti, Simpson, Smith, Steiner, Tu, Watkins, and Wilson. Directors absent were Morrison, Steiner, Weston and Supervisor Gaspar.

a. **Approve a Resolution declaring an end to the drought emergency in San Diego County.**
   **Staff recommendation:** Consider approval of a resolution declaring an end to the drought emergency in San Diego County and imploring Governor Brown and the State Resources Control Board to end the statewide drought emergency and rescind drought emergency water use regulations for areas no longer in drought conditions.

   Chair Muir moved, Director Kennedy seconded, and the motion carried at 89.92% of the vote to approve the staff recommendation to adopt Resolution No. 2017-01. Directors Brady, Fong-Sakai, Preciado, Razak, Saxod, Simpson, Tu, and Wilson abstained.

   At 11:51 a.m., Chair Cherashore adjourned the full Board meeting and reconvened the Water Planning Committee meeting.
Director Lewinger requested staff to look into water trade opportunities in response to recent reports that San Luis Reservoir is overflowing. Director Barnum suggested staff should, in addition, look into storage opportunities with reservoirs within the Water Authority’s service area.


Ms. Roy presented a report on a mitigation needs assessment. Staff responded to questions and comments from Directors Ayala and Razak, who requested staff connect with staff from the City of San Diego, itself in possession of mitigation credits, to explore potential collaboration and coordination.


Chair Cherashore reported that, in the interest of time, this item would be continued to the March 2017 committee meeting.

III. INFORMATION
The following information item was received and filed:

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 11:57 a.m.

ENGINEERING AND OPERATIONS COMMITTEE
CALL TO ORDER / ROLL CALL
Chair Heinrichs called the Engineering and Operations Committee meeting to order at 1:00 p.m. Committee members present were Chair Heinrichs, Vice Chairs Hilliker and Miller, and Directors Boyle, Brady, Butkiewicz, Fong-Sakai, Hogan, Morrison, Olson, Preciado, Simpson, Smith, and Watkins. Committee member absent was Director Razak. Also present were Directors Arant, Ayala, Barnum, Croucher, Evans, Gallo, Hall, Hedberg, Kennedy, Lewinger, Madaffer, Muir, Murtland, Scalzitti, 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 Hattam, Deputy General Manager Kerl, Assistant General Manager Cushman, Director of Operations and Maintenance Fisher, Director of Engineering Reed, Senior Engineering Manager Bousquet, Principal
Engineer Kuzmich, Construction Manager Olvera, Senior Engineers Fountain and Trimm and Engineer (P.E.) Oleksyn.

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 Heinrichs thanked the Board Officers for their confidence in him to chair the committee and welcomed new Directors Butkiewicz and Smith to the committee.

IV. CLOSED SESSION
At that time the agenda was taken out of order and Mr. Hattam took the committee into Closed Session at 1:04 p.m.

1. Conference with Legal Counsel – Existing Litigation
   Government Code §54956.9(d)(1)
   Shimmick Construction Co., Inc./Obayashi Corp., joint venture v. San Diego County Water Authority, Riverside Superior Court Case No. RIC 1609196

   Mr. Hattam brought the committee out of Closed Session at 1:09 p.m. and stated the Board approved termination of the legal contract with Denton’s Law Firm and moved the contract to Procopio Law Firm for litigation.

I. CONSENT CALENDAR
There were no consent calendar items.

II. ACTION/DISCUSSION/PRESENTATION
1. Miramar Pump Station Rehabilitation Project Update.

   Senior Engineer Trimm gave a presentation on the Miramar Pump Station Rehabilitation project including the location, purpose, before and after photographs of the facility and equipment, photographs of work in progress, the change order status, and the schedule.

III. INFORMATION
1. Advertisement for bids for San Vicente Dam inclinometer installation.

2. Energy Task Force Update.
Director Hogan, Energy Subcommittee Chair, reported that on January 4, 2017 the Water Authority and the City of San Diego advertised a joint request for letters of interest for the San Vicente Energy Storage Facility Study. They reached out to electrical utilities, developers, investors, energy off-takers, and other entities wishing to purchase services to gage interest in the potential project. Staff conducted a broad outreach effort internationally. Letters of interest are due February 15, 2017 and the entire process is expected to be completed by April 2017, and the Energy Task Force would provide a full report to the Committee at that time.

V. ADJOURNMENT

There being no further business to come before the Engineering and Operations Committee, Chair Heinrichs adjourned the meeting at 1:22 p.m.

IMPORTED WATER COMMITTEE CALL TO ORDER / ROLL CALL

Vice Chair Kennedy called the Imported Water Committee meeting to order at 1:28 p.m. Committee members present were Vice Chairs Fong-Sakai and Kennedy, Directors Barnum, Hogan, Lewinger, Madaffer, Miller, Murtland, Olson, Saxod, Scalzitti, Steiner, and Wilson. Committee members absent were Chair Weston and Supervisor Gaspar. Also present were Directors Arant, Ayala, Brady, Butkiewicz, Chershore, Croucher, Gallo, Hall, Hedberg, Hilliker, Morrison, Muir, Preciado, Razak, Simpson, Smith, Tu, and Watkins. 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, Deputy General Manager Kerl, Assistant General Manager Cushman, MWD Program Director Chen, Colorado River Program Director Denham, and Government Relations Manager Farrel. Also present were Chris Frahm and Scott Slater, Legal Counsel for Brownstein Hyatt Farber Schreck.

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

Vice Chair Kennedy recognized and thanked past Imported Water Committee Chair Watton and Vice Chairs Saxod and Verbeke for their service.

Vice Chair Kennedy made several announcements beginning with the Colorado River Water Users Association (CRWUA) conference held in Las Vegas December 14-16, 2016. He mentioned that the Water Authority was represented by eight members of the Board, member
agency board members, and Water Authority staff. Much of the discussion focused on the drought on the Colorado River and its link to the Salton Sea.

Vice Chair Kennedy announced that on January 18, 2017, former Secretary of the Interior, Sally Jewel issued a Secretarial Order directing the Department of Interior to continue working towards finalizing the Lower Basin States Drought Contingency Plan for the Colorado River. He explained to reduce the risk of water shortages in the West, the Order would direct the Bureau of Reclamation to work on three actions: Finalizing the Lower Basin Drought Contingency Plan; Investing to Support the Drought Contingency Plan; and Completing Minute 32X negotiations with Mexico.

Vice Chair Kennedy also mentioned the Secretary had issued an Order related to California WaterFix, which directed Fish and Wildlife Service to issue a final Biological Opinion by April 2017 that would consider the project’s final EIR/EIS released at the end of December. Additionally, the Order directed federal agencies to collaborate with other agencies on issues related to endangered species management and projects’ operations.

Lastly, Vice Chair Kennedy announced the Department of Water Resources had increased the State Water Project allocation twice; it is currently at 60 percent.

DIRECTORS’ COMMENTS
There were no Directors’ comments.

I. CONSENT CALENDAR
There were no consent calendar items.

II. ACTION/DISCUSSION/PRESENTATION
1. Update on California WaterFix.

Mr. Farrel gave a brief update on the California WaterFix touching on the Twin Tunnels Plan, support for fixing the Bay-Delta, and a projected timeline.

Directors asked questions and staff provided answers.

2. MWD issues and activities update.


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

Ms. Chen gave an update on MWD’s Treatment Fixed Charge reviewing the background and explaining the current status.

Directors asked questions and staff provided answers.
3. Colorado River Programs.


Director Wilson reported on discussion and action taken at recent Colorado River Board meetings held in December 2016 and January 2017.


3-C Proposed Lower Colorado River Drought Contingency Plan update.

Mr. Denham combined items 3-B and 3-C into one presentation explaining State Water Board Salton Sea proceedings, overview, timeline, the Water Authority’s position, shortage projections, and the Lower Basin Contingency plan.

Directors asked questions and made comments.

3-D 2017 Transfer and Exchange Agreement Decision Overview.

Mr. Denham presented a brief overview of the 2017 Transfer and Exchange decision timeline including background information, QSA agreement terms, and MWD litigation impact.

Directors asked questions and made comments.

III. INFORMATION
The following information item was noted and filed:
1. Metropolitan Water District Program Report.

VI. CLOSED SESSION
Mr. Hattam took the Committee into Closed Session at 2:37 p.m.

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; CPF-16-515282;
   CPF-16-515391; A146901; and A148266

   Mr. Hattam reported the Board approved an amendment of the Brownstein Hyatt Farber Shreck legal services contract to add $380,000.
Mr. Hattam announced two additional closed session items would be handled in their entirety by outside special counsel Scott Slater from Brownstein Hyatt Farber Shreck. Mr. Hattam recused himself and reported that the General Counsel’s office would not attend or participate in the closed session.

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

3. Conference with Legal Counsel – Anticipated Litigation  
   Government Code §54956.9(d)(4)  
   Deciding to Initiate Litigation – One Case

Mr. Slater reported the Board approved an amendment of the Brownstein Hyatt Farber Shreck legal services contract to add $830,000.

V. ADJOURNMENT
   There being no further business to come before the Imported Water Committee, Vice Chair Kennedy adjourned the meeting at 3:30 p.m.

FORMAL BOARD OF DIRECTORS’ MEETING OF JANUARY 26, 2017

1. CALL TO ORDER Chair Muir called the Formal Board of Directors’ meeting to order at 3:31 p.m.

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

3. ROLL CALL, DETERMINATION OF QUORUM  
   Secretary Croucher called the roll. Directors present were Arant, Ayala, Barnum, Brady, Butkiewicz, Cherashore, Croucher, Evans, Fong-Sakai, Gallo, Hall, Hedberg, Heinrichs, Hilliker, Hogan, Kennedy, Lewinger, Miller, Muir, Murtland, Olson, Razak, Saxod, Scalzitti, Simpson, Smith, Steiner, Tu, Watkins, and Wilson. Directors absent were Boyle, Guerin, Madaffer, Morrison, Preciado, Weston, and Supervisor Gaspar.

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

5. APPROVAL OF MINUTES  
   Director Ayala moved, Director Kennedy seconded, and the motion carried at 86.80% of the vote to approve the minutes of the Formal Board of Directors’ meeting of December 8, 2016.
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 **Retirement of Director.** Adopt Resolution honoring John Linden upon his retirement from the Board of Directors.

7-B **Retirement of Director.** Adopt Resolution honoring DeAna Verbeke upon her retirement from the Board of Directors.

7-C **Retirement of Director.** Adopt Resolution honoring Mark Watton upon his retirement from the Board of Directors.

Director Steiner moved, Director Tu seconded, and the motion carried at 86.80% of the vote to adopt Resolution Nos. 2017-02, 2017-03 and 2017-04 honoring John Linden, DeAna Verbeke, and Mark Watton on their retirement from the Board of Directors.

7-D **Appointment of Director.** Appointment of Joel Scalzitti representing Helix Water District. Term ending August 18, 2019.

7-E **Appointment of Director.** Appointment of Kathleen Coates Hedberg representing Helix Water District. Term ending July 15, 2019.

7-F **Appointment of Director.** Appointment of Tim Smith representing Otay Water District. Term ending January 23, 2020.

Chair Muir welcomed Directors Scalzitti, Hedberg, and Smith to the Board of Directors.

7-G **Proclamation of Service.** Proclamation honoring Dave Roberts for his service as County Representative to the Board of Directors.

Chair Muir presented Dave Roberts with a proclamation and thanked him for his service.

7-H **Appointment of County Representative.** Kristin Gaspar, County Representative to the Board of Directors.

8. **REPORTS BY CHAIRS**

8-A **Chairs report:** Chair Muir reported on Water Authority representation to outside groups.

Chair Muir thanked the Chairs and Vice Chairs for accepting their new positions. He reported that on January 11, 2017, he and Vice Chair Madaffer sent a letter to the local elected officials within Metropolitan Water District’s (MWD) service territory regarding MWD’s turf subsidy spending along with Randy Record’s response letter.

1. Discussion of Water Authority representation to outside groups.
After discussion and comments relating to Water Authority representation to outside groups, it was requested that the appointment of Mark Watton to the Colorado River Board be placed on the February agenda for ratification.

8-B **Report by Committee Chairs:**
- **Administrative and Finance Committee.** Director Saxod reviewed the meeting and the action taken.
- **Legislation and Public Outreach Committee.** Director Guerin reviewed the meeting and the action taken.
- **Water Planning Committee.** Director Cherashore reviewed the meeting and reported and the action taken.
- **Engineering and Operations Committee.** Director Heinrichs reviewed the meeting and the action taken.
- **Imported Water Committee.** Director Kennedy reviewed the meeting and the action taken.

9. **CONSENT CALENDAR**
Director Lewinger moved, Director Evans seconded, and the motion carried at 86.80% of the vote to approve 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 the monthly Treasurer’s Report.

9- 2. **Water Authority Sponsorship of Legislation in the 2017 State Legislative Session.**
The Board approved sponsorship of a legislative proposal to create a stakeholder workgroup process through the Department of Water Resources for development of long-term water use efficiency standards.

9- 3. **Closed Session: Shimmick Construction Co., Inc./Obayashi Corp., joint venture v. San Diego County Water Authority, Riverside Supervisor Court Case No. RIC 1609196.**
The Board approved termination of the legal contract with Denton’s Law Firm, and move contract to Procopio Law Firm for the Shimmick/Obayashi litigation.

9- 4. **Closed Session: The Board approved termination of the legal contract with Denton’s Law Firm, and move contract to Procopio Law Firm for the Shimmick/Obayashi litigation.**
The Board approved an amendment of the Brownstein Hyatt Farber Shreck legal services contract to add $380,000.

9- 5. **Closed Session: Deciding to Initiate Litigation – One Case.**
The Board approved an amendment of the Brownstein Hyatt Farber Shreck legal services contract to add $830,000.
10. **ACTION/DISCUSSION**
There were no action/discussion items.

11. **SPECIAL REPORTS**
11-A GENERAL MANAGER’S REPORT – Ms. Stapleton stated there would not be a special meeting on February 9, 2017. She reported on a new requirement (AB 1661) that all Board Members attend sexual harassment prevention training and that the Water Authority would host training sessions in March.
11-B GENERAL COUNSEL’S REPORT – Mr. Hattam stated he had nothing further to report.
11-C SANDAG REPORT – Chair Muir stated he had nothing to report.
   SANDAG Subcommittees:
   - Borders Committee – Director Croucher stated he had nothing to report.
   - Regional Planning Committee – Director Olson stated he 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)
   Shimmick Construction Co., Inc./Obayashi Corp., joint venture v. San Diego County Water Authority, Riverside Superior Court Case No. RIC 1609196

12-B 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; CPF-14-514004; CPF-16-515282; CPF-16-515391; A146901; and A148266

12-C Conference with Legal Counsel – Existing Litigation
   Government Code §54956.9(d)(1)
   State Water Resources Control Board Petition of Imperial Irrigation District for Modification of Revised Water Rights Order 2002-0013

12-D Conference with Legal Counsel – Anticipated Litigation
   Government Code §54956.9(d)(4)
   Deciding to Initiate Litigation – One Case

13. **ACTION FOLLOWING CLOSED SESSION**
There were no action items following closed session.
14. **OTHER COMMUNICATIONS**
   There were no other communication items.

15. **ADJOURNMENT**
    There being no further business to come before the Board, Chair Muir adjourned the meeting at 3:52 p.m.

Mark Muir, Chair

Gary Croucher, Secretary

Melinda Cogle, Clerk of the Board