

**MINUTES OF THE FORMAL BOARD OF DIRECTORS' MEETING  
JUNE 24, 2010**

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

Chair Dailey called the Legislation, Conservation and Outreach Committee to order at 9:01 a.m. Committee members present were Chair Dailey, Vice Chair Saxod, and Directors Dion, Tu, Watton, and K. Williams. Committee members absent were Vice Chair Morrison and Directors Arant\*, Blackburn\*, Croucher, Hilliker\*, Jungreis, Mudd, Muir, and H. Williams. Chair Dailey appointed the following members to serve on the Committee temporarily: Directors Bond, Bowersox, and Smith to establish a quorum. Also present were Directors Hannan, Heidel, Hogan, Knutson, Lewinger, Lewis, McIntosh, McMillan, Petty, Pocklington, and Price. Director Blackburn arrived at 9:05 a.m., Director Arant arrived at 9:06 a.m., and Director Hilliker arrived at 9:22 a.m. At 9:22 a.m., there was a quorum of the committee members. Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Manager Kerl, Assistant General Manager Cushman, Director of Public Affairs Foster, Government Affairs Manager Volberg, and Water Conservation Program Executive Rose.

**ADDITIONS TO AGENDA**

There were no additions to the agenda.

**PUBLIC COMMENT**

There were no members of the public who wished to address the Legislative, Conservation and Outreach Committee.

**CHAIR'S REPORT**

There was no Chair's Report.

**DIRECTORS' COMMENTS**

There were no Directors' Comments.

**I. CONSENT CALENDAR**

1. MWD Agricultural Water Conservation Program.
  - 1-A Metropolitan Water District of Southern California's fiscal year 2011 Agricultural Water Conservation Program.

Staff recommendation: Authorize the General Manager to execute an agreement with Metropolitan Water District of Southern California to participate in its fiscal year 2011 Agricultural Water Conservation Program.

- 1-B Amend the professional services contract with Mission Resource Conservation District for the operation of the San Diego County Water Authority Agricultural Water Management Program and the new Metropolitan Water District of Southern California Agricultural Conservation Program for fiscal year 2011.

Staff recommendation: Authorize the General Manager to execute Amendment No. 1 with Mission Resource Conservation District in the amount of \$75,000, for a total contract amount not-to-exceed \$230,000, extending the term to June 30, 2011 and modifying the scope of work to implement the Metropolitan Water District of Southern California's Agricultural Conservation Program for fiscal year 2011.

Director K. Williams moved, Director Tu seconded and the motion carried unanimously to approve the Consent Calendar.

## **II. ACTION/DISCUSSION**

### 1. Legislative Issues.

- 1-A Report by Carpi and Clay.

Mr. Clay reported on issues in Washington, D. C., and Sacramento.

### 2. WaterSmart Target Project.

- 2-A WaterSmart Target Project update.

Senior Water Resources Specialist Portillo provided a presentation, including overview of the program, introduction and purpose, accomplishments, project budget, and its role as a resource for member agencies.

- 2-B Amendment to professional services contract with Civic Resources Group, LLC.

Staff recommendation: Authorize the General Manager to approve a \$250,000 contract amendment with Civic Resources Group LLC, for a term of twelve months.

Ms. Portillo also provided a presentation regarding a Civic Resources Group contract amendment, including future outlook, scope, and recommendation.

Director Arant moved, Director Tu seconded and the motion carried unanimously to authorize the General Manager to approve a \$250,000 contract amendment with Civic Resources Group LLC for a term of 12 months.

### **III. INFORMATION**

1. Presentation on SCOOP quarterly report.

Ms. Yanushka provided a presentation, including objective of the SCOOP program; outreach activities, training, and technical assistance; program measurements; quarterly report from July 1, 2009, to March 31, 2010; and 2010 activities.

Director Lewinger suggested exploring the use of other matrices rather than dollars awarded to small businesses to evaluate the success of the SCOOP program. Director Petty stated that the SCOOP Committee would look into other potential matrices that could be used.

3. Water Conservation Garden report.

Director Bowersox reported that during the 2010/2011 budget period, the Garden worked closely with Cuyamaca College to better coordinate the college's landscape program and the Garden's events and programs.

The following items were received and filed:

2. Public Affairs outreach activities quarterly report.
4. Government relations update.
5. Status report on legislation and legislative positions.

### **IV. ADJOURNMENT**

There being no further business to come before the Legislation, Conservation and Outreach Committee, Chair Dailey adjourned the meeting at 9:45 a.m.

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

Chair McMillan called the Imported Water Committee meeting to order at 9:53 a.m. Committee members present were Directors Blackburn, Bond, Heidel, Lewinger, McIntosh, Petty, Price, Saxod, and Tu. Directors Croucher, Linden, Martin, and Wight were absent. At that time, there was a full quorum of the Board, and the meeting was conducted as a meeting of the Board, however, only committee members participated in the vote. Also present were Directors Arant, Bowersox, Dailey, Dion, Hannan, Hilliker, Hogan, Lewis, Mudd, Pocklington, Smith, Steiner, Watton, and K. Williams. Staff present included General Manager Stapleton, General Counsel Hentschke, Deputy General Manager Kerl, Assistant General Manager Cushman, Colorado River Program Director Razak, Metropolitan Water District Chief Chen, and others.

### **ADDITIONS TO AGENDA**

There were no additions to the agenda.

### **PUBLIC COMMENT**

There were no public comments.

## **CHAIR'S REPORT**

Director McMillan stated that the Department of Water Resources increased its final 2010 State Water Project allocation to 50 percent of requested amounts. He discussed IID election results as well as binational Colorado River meetings recently held with U.S. and Mexican parties to discuss river management improvements. He stated that MWD would hold an IRP stakeholder forum in San Diego on August 10.

4-A Director's comments.

There were no Director's comments.

## **I. CONSENT CALENDAR**

There were no items on the consent calendar.

## **II. ACTION/DISCUSSION**

### **1. MWD Issues and Activities update.**

1-A Metropolitan Water District's Delegates report.

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

1-B Update on Metropolitan Water District's 2010 Blue Ribbon Committee process.

Water Policy Manager Westford gave a presentation on MWD's Blue Ribbon Committee that consists of business, community and public interest leaders. The Blue Ribbon Committee was tasked with providing recommendations to the MWD board on the development of a sustainable business model for MWD to provide a reliable water supply for the next 50 years. She stated that the committee's recommendations would be presented to the MWD board in September.

### **2. Colorado River Programs.**

2-A Colorado River Board representative's report.

Director Knutson did not have comments.

## **III. INFORMATION**

The following item was noted and filed:

1. Metropolitan Water District program report.

The committee went into closed session at 10:31 a.m.

**IV. CLOSED SESSION**

1. CLOSED SESSION:  
Conference with Legal Counsel – Existing Litigation  
Governance Code §54956.9(a)  
Name of Case: QSA Judicial Council Coordination Proceeding No. 4353
  
2. CLOSED SESSION:  
Conference with Legal Counsel – Initiation of Litigation  
Government Code §54956.9(c) - One Case

Mr. Hentschke stated that there were no reportable actions taken in closed session.

**V. ADJOURNMENT**

There being no further business to come before the Imported Water Committee, Chair McMillan adjourned the meeting at 10:46 a.m.

**ADMINISTRATIVE AND FINANCE COMMITTEE**  
**CALL TO ORDER/ROLL CALL**

Chair Williams called the Administrative and Finance Committee meeting to order at 10:55 a.m. Committee members present were Chair K. Williams, Vice Chairs Hogan and Price Directors Bond, Bowersox, Dion, Hilliker, Lewis, Pocklington, Smith, Steiner, H. Williams, and Wornham. Committee member absent was Wight. At that time, there was a full quorum of the Board, and the meeting was conducted as a meeting of the Board, however, only committee members participated in the vote. Also present were Directors Arant, Blackburn, Dailey, Hannan, Heidel, Lewinger, Linden, McIntosh, McMillan, Petty, Saxod, Tu and Watton. Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Manager Kerl, Assistant General Manager Cushman, Director of Administrative Services Young, Director of Finance Sandler, Director of Human Resources Leone, Controller Wade, Financial Planning Manager Shank, and Budget & Analysis Manager Celaya.

**ADDITIONS TO AGENDA**

There were no additions to the agenda.

**PUBLIC COMMENT**

There were no members of the public who wished to address the committee.

**CHAIR'S REPORT**

There was no chair report.

**DIRECTORS' COMMENTS**

There were no comments.

**I. CONSENT CALENDAR**

1. Treasurer's report.  
Staff recommendation: Note and file monthly Treasurer's report.
2. Contract with the Business Cleaning Company for janitorial services for the Kearny Mesa and Escondido offices.  
Staff recommendation: Authorize the General Manager to execute a three year contract with the Business Cleaning Company for janitorial services in an amount not to exceed \$151,380.

Vice Chair Price moved, seconded by Director Dion, and the motion passed unanimously to approve the consent calendar.

**II. ACTION/DISCUSSION**

1. Discussion and Consideration of Fiscal Years 2010 and 2011 Mid-Term Budget update.  
Staff recommendation: Recommend adoption of the mid-term budget adjustments.

Ms. Stapleton announced that the two-year budget process for the Water Authority had been very successful and the next two-year budget cycle would begin in approximately six months. She described the challenges that the Water Authority has had to overcome this budget season.

Mr. Sandler provided an overview of the FY 2010-1011 multi-year budget, highlighting key sections of the Board memo. This included a re-cap of key events for FY 2010 and a look ahead for FY 2011. He reviewed major changes in sources and uses of funds and particularly highlighted the significant impacts of reductions in water sales and their impact on water sales revenue and water purchase costs. He presented the specific recommended budget adjustments both to CIP lifetime budgets, and to the operating and debt service budgets.

Director Steiner asked for clarification of the recommended \$2.85 million adjustment for MWD litigation. Though characterized in the Board memo as being made to the General Counsel's budget she confirmed that \$600,000 and \$250,000 were to be allocated to and spent by the MWD program and the Finance department respectively.

There were several more questions asked by Directors, and after a brief discussion and clarification, Mr. Sandler and staff were complimented on a great presentation.

Director Steiner moved, seconded by Director Dion, and the motion carried unanimously to approve the staff recommendation.

2. PUBLIC HEARING: Adopt Water Authority rates and charges for calendar year 2011 and continue the annual Standby Availability Charge for fiscal year 2010-2011 as currently imposed.

Staff recommendation:

- a) Adopt Ordinance No. 2010-\_\_\_ 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.
- b) Adopt Resolution 2010-\_\_\_ a resolution of the Boards of Directors of the San Diego County Water Authority continuing the Water Standby Availability Charge.

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

Mr. Sandler provided a presentation on the CY 2011 rates and charges which had been presented to the Board in May and to member agency staff in March and April. He highlighted the various economic challenges facing the Water Authority including reduced water sales and increasing rates from MWD for transportation services. He also highlighted the various actions the Authority has taken to mitigate the increase including mid-term budget reductions of \$2.4 million, budget reduction and rate litigation efforts at MWD, and a projected \$10.7 million draw from the Water Authority's rate stabilization fund in FY 2011. He discussed the specific rate and charge recommendations and illustrated the impacts on the monthly wholesale cost of water.

Directors Lewis, Pocklington and Petty asked questions, and Mr. Sandler provided them with answers.

Director Wornham moved, Director Smith seconded, and the motion carried unanimously to approve the staff recommendation. Director Pocklington voted no.

### **III. INFORMATION**

The following items were received and filed:

2. Controller's report on monthly financial statements.
3. Board calendar.

Chair Williams announced the pick-up packet included a letter addressed to the Board from Olivenhain Municipal Water District Board of Directors regarding proposed wholesale water rates and charge increase.

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

1. CLOSED SESSION:

Conference with Labor Negotiator, Government Code §54957.6  
Agency Designated Representatives: Frank Belock, Susan Leone  
Employee Organization: California Teamsters Public, Professional  
and Medical Employees Union Local 911

Mr. Hentschke announced there was no reportable action from closed session.

#### **V. ADJOURNMENT**

There being no further business to come before the Administrative and Finance Committee, Chair Williams adjourned the meeting at 11:35 a.m.

### **ENGINEERING AND OPERATIONS COMMITTEE**

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

Chair Arant called the Engineering and Operations Committee to order at 1:00 p.m. Committee members present were Chair Arant, Vice Chair Smith, Directors Bowersox, Hannan, Hogan, McIntosh, Mudd, Pocklington, and Saunders. Director Wornham arrived just after roll call, and Director Knutson arrived at 1:09 p.m. Absent were Directors Jungreis and Morrison. There was a quorum Committee. Other Board members present were Directors Blackburn, Bond, Dailey, Dion, Heidel, Hilliker, Lewinger, Lewis, Linden, McMillan, Muir, Petty, Price, Saxod, Tu, Watton, Wight, H. Williams and K. Williams. Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Manager Kerl, Assistant General Manager Cushman, Director of Engineering Stiff, Acting Director of Right of Way Busch, Director of Operations and Maintenance Eaton, Construction Manager Griffis, Special Projects Manager Stewart and O&M Manager Galleher.

#### **ADDITIONS TO AGENDA**

There were no additions to the agenda.

#### **PUBLIC COMMENT**

There were no members of the public who wished to address the Committee.

#### **CHAIR'S REPORT**

Chair Arant welcomed new Director Hannan to the E&O Committee.

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

1. Change Orders to Barnard Construction Company Inc. for the Package 2 San Vicente Foundation Preparatory Work project.  
Staff recommendation: Accept Change Order 8 for \$344,498 and authorize the General Manager to execute Change Order 9 for up to \$1,375,955 to revise unit price bid items to address field conditions encountered at the foundation excavations, increasing the construction contract to \$28,228,579.



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

## **II. ACTION/DISCUSSION**

1. Power Purchase Agreement with Borrego Solar Systems, Inc. for three Solar Power Projects.  
Staff recommendation: Authorize the General Manager to move forward with negotiation and execution of a power purchase agreement with Borrego Solar Systems, Inc. absent the language previously approved in accordance with Alternative #1.

Ms. Stewart gave a presentation, which included background, process and benefits, and the next steps on the project. Following comments and questions from the Committee and Board members, Vice Chair Smith moved to approve the consent calendar, Director Hogan seconded, and the motion passed unanimously.

## **III. INFORMATION**

1. Presentation on Annual Aqueduct Operating Plan.

Mr. Galleher gave a presentation that included background information, as well as information regarding treated and untreated water - projected demand vs. deliveries, treatment plant shutdowns, energy production and consumption, maintenance activities and future plan coordination.

## **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 Arant adjourned the meeting at 1:17 p.m.

## **WATER PLANNING COMMITTEE** **CALL TO ORDER/ROLL CALL**

Chair Saunders called the Water Planning Committee to order at 1:27 p.m. Committee members present were Vice Chair Petty, Directors Dailey, Hannan, Heidel, Lewinger, Lewis, Linden, McMillan, Muir and Watton. Director Martin was absent. Director Steiner arrived at 2:00 p.m. Other Board members present were Directors Arant, Blackburn, Bond, Bowersox, Dion, Hilliker, Hogan, Knutson, McIntosh, Mudd, Pocklington, Price, Saxod, Smith, Tu, Wight, H. Williams, K. Williams, and Wornham. Director Morrison arrived at 2:00 p.m. and Director Jungreis arrived at 2:30 p.m. Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Manager Kerl, Assistant General Manager Cushman, Director of Water Resources Weinberg, Water Resources Managers Purcell and Yamada, Principal Water Resource Specialist Tippits, Senior Water Resource Specialists Bombardier, Chadwick and Gage, and Water Resources Specialists Dobalian and Williams.

## **ADDITIONS TO AGENDA**

There were no additions to the agenda.

## **PUBLIC COMMENT**

Chair Saunders acknowledged several members of the public submitted speaker request forms relative to Action Item II. 2 and advised the opportunity to make public comment would be provided when that item was addressed later in the committee meeting.

## **CHAIR'S REPORT**

Chair Saunders briefly reported the committee would hear the final Water Supply Conditions report for the year and ask approval for member agency water supply allocation percentages for the second consecutive year. Areas of focus in upcoming months would include water use during high peak summer demands and member agencies' performance on their new allocations. The Chair remarked this year's committee term would end at the end of the year with several items remaining to be achieved, including the Carlsbad items, the Natural Communities Conservation Plan / Habitat Conservation Plan, the Urban Water Management Plan, and initiation of the Regional Water Facilities Master Plan.

Chair Saunders stated that given the length of the agenda, the report on the NCCP/HCP would be brought forth immediately following Action Item II.1-B.

## **DIRECTORS' COMMENTS**

There were no Directors' comments.

### **I. CONSENT CALENDAR**

There were no items for the Consent Calendar.

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

#### **1. Drought Management Plan.**

##### **1-A Water Supply Conditions.**

Ms. Dobalian briefed the Committee on current supply conditions including snow and reservoir conditions, Colorado River conditions, and storage in major local reservoirs as of June 21, 2010.

#### **1-B Member Agency Municipal and Industrial supply allocations percentages and Special Agricultural Water Rate supply allocation volumes for fiscal year 2011.**

##### **Staff recommendation:**

- a) Approve member agency Municipal and Industrial supply allocation percentages for fiscal year 2011, and
- b) Approve Special Agricultural Water Rate allocation volumes to member agencies for fiscal year 2011.

Mr. Bombardier presented information on Fiscal Year 2011 member agency Municipal and Industrial (M&I) percentages and Special Agricultural Water Rate volumetric allocations, updated in response to MWD's April 13, 2010 board action to remain at Level 2 for a second consecutive year. Next steps include anticipated Water Supply Allocation Plan actions by the MWD Board on July 13, 2010 and August 17, 2010 followed by the Water Authority's distribution of member agency FY 2011 M&I allocations at the August 26, 2010 board meeting.

Director Muir moved, Director Petty seconded, and the motion passed unanimously.

### **III. INFORMATION**

1. Presentation Natural Community Conservation Plan/Habitat Conservation Plan NCCP/HCP.

Mr. Tippetts presented on the NCCP/HCP plan benefits, commitments, the close of the public comment period on the EIR/EIS, and other milestones. Next steps include review of management and monitoring commitments at the July or August 2010 committee meeting, response to comments and certification of the final EIR/EIS in September or October 2010, and agreement implementation and permit activation in December 2010.

### **II. ACTION/DISCUSSION (Continued)**

2. Consideration of options for Water Authority financial participation in the Carlsbad Desalination Project.  
Staff recommendation: Select one of the following options and direct staff to bring draft terms to the Water Planning Committee at its July 22, 2010 meeting.  
Options:
  - 1) Combination Grant/Loan with guaranteed repayment obligation.
  - 2) Combination Grant/Loan to member agencies and future acquisition of real property interests and other assets.
  - 3) Direct Water Purchase Relationship between the Water Authority and Poseidon with potential acquisition by the Water Authority of real property interests and other assets.

Ms. Stapleton remarked that staff was now presenting additional detailed information following the June 10, 2010 Special Board Meeting and was seeking direction on the three proposed options. Mr. Weinberg presented comprehensive information on the project expected to be online in late 2012. Ms. Stapleton concluded with detailed pros and cons of the three options. She asked for all three options to be considered and for staff to be directed to bring draft terms on one of the options to the Water Planning Committee on July 22, 2010.

Chair Saunders opened the meeting for public comment at 2:22 p.m. Speaking in opposition were Marco Gonzalez, Coastal Environmental Rights Foundation; Belinda Smith, San Diego Chapter of the Surfrider Foundation; Joe Geever, California Policy Coordinator for the Surfrider Foundation; and Sara Honadle, Coastal Environmental Rights Foundation. Speaking in support were Gina McBride, Carlsbad Chamber of Commerce; Chuck Badger, San Diego

County Farm Bureau; and Angelika Villagrana, San Diego Regional Chamber of Commerce. Public comments concluded at 2:40 p.m.

Director Steiner moved, and Director Lewinger seconded, a motion to direct staff to bring draft terms to the Water Authority Planning Committee at its July 22, 2010 meeting under Option 3, a direct water purchase relationship between the Water Authority and Poseidon with potential acquisition by the Water Authority of real property interests and other assets.

Under discussion, staff responded to clarifying questions posed by Directors Steiner, Lewinger, and Watton. Director Watton referred to a letter from the city of Carlsbad distributed during the presentation, and asked staff to look into and provide a clear definition of the terms between the project host city of Carlsbad and Poseidon. Staff responded to additional questions and comments posed by Directors Lewis, Bond, Pocklington, Mudd, Dion, Smith, and Price. Poseidon's Senior Vice President Peter MacLaggan and Mr. Weinberg provided additional clarification on questions raised concerning permits. Further comments were voiced by Directors H. Williams, McMillan, Muir, and Dailey.

General Counsel confirmed for Chair Saunders that all committee members could vote on the motion. The motion passed unanimously.

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

Chair Saunders called the committee into Closed Session with General Counsel at 3:20 p.m. for the following:

- a) Conference with Legal Counsel – Threatened Litigation  
Government Code §54956.9(b) – One Case
- b) Conference with Real Property Negotiator  
Government Code §54956.8  
Property: Real property interests for Carlsbad Desalination Facility, Conveyance and Distribution Pipelines, and Aqueduct connection  
Agency Negotiators: Daniel Hentschke, Maureen Stapleton, Sandra Kerl, Ken Weinberg, Eric Sandler, William Busch  
Negotiating Parties: Poseidon Channelside, LLC  
Under Negotiation: Price and terms of acquisition

Following closed session, General Counsel confirmed there were no reportable action items.

#### **V. ADJOURNMENT**

There being no further business to come before the Water Planning Committee, Chair Saunders adjourned the meeting at 4:30 p.m.

**FORMAL BOARD OF DIRECTORS' MEETING OF JUNE 24, 2010**

1. **CALL TO ORDER** Chair Lewis called the Formal Board of Directors' meeting to order at 4:35 p.m.
2. **SALUTE TO THE FLAG** Director Linden led the salute to the flag.
3. **ROLL CALL, DETERMINATION OF QUORUM**  
Secretary Wornham called the roll. Directors present were Arant, Blackburn, Bond, Bowersox, Dailey, Dion, Hannan, Heidel, Hilliker, Hogan, Jungreis, Knutson, Lewinger, Lewis, Linden, McIntosh, McMillan, Morrison, Muir, Petty, Pocklington, Price, Saunders, Saxod, Smith, Steiner, Tu, Watton, Wight, H. Williams, K. Williams and Wornham. Directors absent were Croucher, Martin, Mudd, and Representative Slater-Price.  
  
3-A **Report on proxies received.** Chair Lewis was the proxy for Director Martin, Director Watton was the proxy for Director Croucher.
4. **ADDITIONS TO AGENDA** There were no additions to the agenda.
5. **APPROVAL OF MINUTES** Director Pocklington moved, Director Knutson seconded, and the motion carried at 100% of the vote to approve the minutes of the Formal Board of Directors' meeting of May 27, 2010.
6. **OPPORTUNITY FOR MEMBERS OF THE PUBLIC WHO WISH TO ADDRESS THE BOARD ON MATTERS WITHIN THE BOARD'S JURISDICTION**  
Mr. Marco Gonzalez, Coastal Environmental Rights Foundation/Coast Law Group spoke of his concerns regarding the Carlsbad desalination project.
7. **PRESENTATIONS AND PUBLIC HEARINGS**
  - 7-A Presentation by Tim Brick, Chairman, Metropolitan Water District, for the Water Authority's *Public Water Agency of the Year* award received at the Global Water Institute.
  - 7-B **Retirement of Director.** Adopt Resolution No. 2010-\_\_ honoring Betty Ferguson upon her retirement from the Board of Directors.
  - 7-C **Appointment of Director.** Trish Hannon representing Vallecitos Water District. Term expires March 13, 2016.

Tim Brick, Chairman, Metropolitan Water District presented the *Public Water Agency of the Year* award received at the Global Water Institute in Paris, France.

Director Wornham moved, Director Saunders seconded and the Board adopted **Resolution No. 2010-07** honoring Betty Ferguson upon her retirement from the Board of Directors. Chair Lewis introduced Trish Hannon who was recently appointed to the Board.

8. **REPORTS BY CHAIRS**

8-A Chair's report. There was no Chair's report.

8-B Report by Committee Chairs.

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

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

Administrative and Finance Committee. Director Williams reviewed the committee meeting and actions taken.

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

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

9. **CONSENT CALENDAR**

Director Heidel moved, Director Linden seconded, and the motion carried at 100% of the vote to approve the consent calendar. Directors voting no or abstaining are listed under the item number.

9-1. Metropolitan Water District of Southern California's fiscal year 2011 Agricultural Water Conservation Program.

The Board authorized the General Manager to execute an agreement with Metropolitan Water District of Southern California to participate in its fiscal year 2011 Agricultural Water Conservation Program.

9-2. Amend the professional services contract with Mission Resource Conservation District for the operation of the San Diego County Water Authority Agricultural Water Management Program and the new Metropolitan Water District of Southern California Agricultural Conservation Program for fiscal year 2011.

The Board authorized the General Manager to execute Amendment No.1 with Mission Resource Conservation District in the amount of \$75,000, for a total contract amount not-to-exceed \$230,000, extending the term to June 30, 2011 and modifying the scope of work to implement the Metropolitan Water District of Southern California's Agricultural Conservation Program for fiscal year 2011.

9-3. Amendment to professional services contract with Civic Resources Group, LLC.

The Board authorized the General Manager to approve a \$250,000 contract amendment with Civic Resources Group LLC, for a term of twelve months.

9-4. Treasurer's report.

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

- 9-5. Contract with The Business Cleaning Company for janitorial services for the Kearny Mesa and Escondido offices.  
The Board authorized the General Manager to execute a three year contract with The Business Cleaning Company for janitorial services in an amount not to exceed \$151,380.
- 9-6. Discussion and Consideration of Fiscal Years 2010 and 2011 Mid-Term Budget update.  
The Board adopted the mid-term budget adjustments.
- 9-7. PUBLIC HEARING: Adopt Water Authority rates and charges for calendar year 2011 and continue the annual Standby Availability Charge for fiscal year 2010-2011 as currently imposed.  
The Board adopted **Ordinance No. 2010-02** 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. The Board adopted **Resolution 2010-06** a resolution of the Boards of Directors of the San Diego County Water Authority continuing the Water Standby Availability Charge.
- The following Directors voted no: Hilliker, McMillan, Morrison, Muir, Petty, and Pocklington. This represented 86.40% of the vote approving and 13.60% voting no.
- 9-8. Change Orders to Barnard Construction Company Inc. for the Package 2 San Vicente Foundation Preparatory Work project.  
The Board accepted Change Order 8 for \$344,498 and authorized the General Manager to execute Change Order 9 for up to \$1,375,955 to revise unit price bid items to address field conditions encountered at the foundation excavations, increasing the construction contract to \$28,228,579.
- 9-9. Power Purchase Agreement with Borrego Solar Systems, Inc. for three Solar Power Projects.  
The Board authorized the General Manager to move forward with negotiation and execution of a power purchase agreement with Borrego Solar Systems, Inc. absent the language previously approved in accordance with Alternative #1.
- 9-10. Approve Member Agency Municipal and Industrial Supply Allocation percentages and Special Agricultural Water Rate supply allocation volumes for fiscal year 2011.  
The Board approved member agency Municipal and Industrial supply allocation percentages for fiscal year 2011 as shown in Table 1 of the memo; and approved Special Agricultural Water Rate allocation volumes to member agencies for fiscal year 2011 as shown in Table 2 of the memo.

9-11. Consideration of options for Water Authority financial participation in the Carlsbad Desalination Project.

The Board directed the General Manager and General Counsel to pursue and develop water purchase agreement with Poseidon (Channelside) LLC, including potential acquisition of certain real property interests and other assets, and return to the Water Planning Committee and Board for final consideration and approval.

10. **ACTION/DISCUSSION**

10-A Appointment of Lynne Heidel to the Metropolitan Water District of Southern California Board of Directors.

The Board adopted **Resolution No. 2010-08** consenting and approving the appointment of Lynne Heidel as a representative of the San Diego County Water Authority on the Board of Directors of the Metropolitan Water District of Southern California.

Director Price moved, Director Pocklington seconded, and the motion passed at 100% of the vote.

11. **CLOSED SESSION(S)**

Mr. Hentschke took the Board into Closed Session at 4:55 p.m. on item 11-A.

11-A General Manager and General Counsel review.

CLOSED SESSION:

Public Employee Performance Evaluation, Government Code §54957

Title: General Manager

Conference with Labor Negotiators, Government Code §54957.6

Designated Board Representatives: Chair, Vice-Chair, Secretary

Unrepresented Employee: General Manager

CLOSED SESSION:

Public Employee Performance Evaluation, Government Code §54957

Title: General Counsel

Conference with Labor Negotiators, Government Code §54957.6

Designated Board Representatives: Chair, Vice-Chair, Secretary

Unrepresented Employee: General Counsel

11-B CLOSED SESSION:

Conference with Legal Counsel – Existing Litigation

Government Code §54956.9(a)

Name of Case: QSA Judicial Council Coordination Proceeding No. 4353



- 11-C CLOSED SESSION:  
Conference with Legal Counsel – Existing Litigation  
Government Code §54956.9(a)  
Name of Case: SDCWA v Metropolitan Water District of Southern California
- 11-D CLOSED SESSION:  
Conference with Labor Negotiator, Government Code §54957.6  
Agency Designated Representatives: Frank Belock, Susan Leone  
Employee Organization: California Teamsters Public, Professional  
and Medical Employees Union Local 911
- 11-E CLOSED SESSION:  
Conference with Legal Counsel – Threatened Litigation  
Government Code §54956.9(b) – One Case
- 11-F CLOSED SESSION:  
Conference with Real Property Negotiator  
Government Code §54956.8  
Property: Real property interests for Carlsbad Desalination Facility, Conveyance and  
Distribution Pipelines, and Aqueduct connection  
Agency Negotiators: Daniel Hentschke, Maureen Stapleton, Sandra Kerl, Ken Weinberg, Eric  
Sandler, William Busch  
Negotiating Parties: Poseidon Channelside, LLC  
Under Negotiation: Price and terms of acquisition

At 5:20 p.m. Mr. Hentschke brought the Board out of Closed Session on item 11-A and stated no action was taken.

Mr. Hentschke took the Board into Closed Session on item 11-D at 5:20 p.m. At 5:25 p.m. Mr. Hentschke brought the Board out of Closed Session and reported the actions taken were not reportable at this time pursuant to the Brown Act.

12. **Action following Closed Session if needed.**

13. **SPECIAL REPORTS**

- 13-A GENERAL MANAGER'S REPORT – Ms. Stapleton announced there would be no Special Board meeting on July 8, 2010.
- 13-B GENERAL COUNSEL'S REPORT – No report was given.
- 13-C SANDAG REPORT – Director Muir provided the report.  
SANDAG BORDERS/REGIONAL PLANNING COMMITTEE – Director Saxod reported the meeting would take place the following day.
- 13-D AB 1234 COMPLIANCE REPORTS – No reports were given.

14. **OTHER COMMUNICATIONS** - None.

15. **ADJOURNMENT**

There being no further business to come before the Board, Chair Lewis adjourned the meeting at 5:28 p.m.

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Claude A. Lewis, Chair

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Thomas V. Wornham, Secretary

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Doria F. Lore, Clerk of the Board