

**MINUTES OF THE FORMAL BOARD OF DIRECTORS' MEETING
FEBRUARY 27, 2014**

WATER PLANNING COMMITTEE

CALL TO ORDER/ROLL CALL

Chair Tu called the Water Planning Committee Meeting to order at 9:03 a.m. Committee members present were Chair Tu, Vice Chair Linden, Directors Kern, Madaffer, Miller, Murtland, Saunders, Simpson*, Steiner and Weston. Vice Chair Watton and Directors Brady and Sanford were absent. Also present were Directors Arant, Barnum*, Hilliker, Hogan, Lewinger, Mudd, Olson, Saxod, Topolovac, Verbeke, Watkins, Williams, Wilson and Wornham. At that time, there was a quorum of the Board, and the meeting was conducted as a meeting of the Board; however, only committee members participated in the vote.

Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Water Resources Director Weinberg, Public Outreach and Conservation Director Foster, Acting Water Resources Manager Frieauf and Water Resources Specialist Dobalian.

PUBLIC COMMENT

One public comment slip was received with the request to comment following staff presentations.

CHAIR'S REPORT

Chair Tu expressed thanks to Director Douglas for her past leadership of the Committee, to Director Wornham for appointing her as the new Chair, and to Director Linden for agreeing to serve as a Committee Vice Chair. Chair Tu announced that the San Diego Integrated Regional Water Management Program had been awarded a \$10.3 million implementation grant to support seven priority projects on conservation, recycled water, local surface water, and groundwater. She reported that at the February 13, 2014 Special Board meeting, the Board declared implementing Stage 1 of the Water Authority's Water Shortage and Drought Response Plan, including notifying Member Agencies of Drought Response Level 1, Drought Watch Condition.

DIRECTORS' COMMENTS

There were no comments made by Directors.

I. CONSENT CALENDAR

There were no items for the Consent Calendar.

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

II. ACTION/DISCUSSION

1. Water Shortage and Drought Response Plan.
1-A Water supply and demand conditions.

Ms. Dobalian provided an informative presentation of the present and historic data on water supply conditions including State Water Project hydrologic conditions, runoff, and reservoir conditions; Colorado River hydrologic conditions and Metropolitan storage reserves; Water Authority service area reservoir storage and water use; and the National Weather Service Outlook for March through May 2014, concluding that dry conditions would persist.

- 1-B Potential triggers associated with the San Diego County Water Authority's Water Shortage and Drought Response Plan Stages and Model Drought Response Ordinance levels.

Ms. Frieauf provided a presentation on triggers associated with the Water Authority's Water Shortage and Drought Response Plan and Model Drought Response Ordinance, including an explanation of how the two tools were used and the actions that ensue following implementation of progressive stages and levels.

Chair Tu reminded the Committee that staff would present monthly informational updates on the drought going forward. Staff responded to questions and comments posed by Directors Mudd, Arant, Lewinger and Steiner.

*Director Barnum arrived at 9:45 a.m.

- 1-C Drought Response Communications and Outreach Planning.

Mr. Foster provided a presentation on current activities, goals, audiences, strategies, challenges, key messages, theme drivers, and a timeline of the Water Authority's drought response campaign for the current drought. Director Hogan asked about the flexibility to advance to the next levels of drought response. Directors Arant and Saxod asked staff to provide Board members with bullet points to ensure consistency of the message. Director Weston, Topolovac and Olson asked about return on investment associated with the outreach budget.

Following staff presentations, Chair Tu called upon the public speaker. Julia Chunn-Heer, Policy Manager for Surfrider San Diego, thanked the Board for implementing Stage 1 of the Drought Response Plan. She also asked for a 30-day public review period of the 2013 Final Supplemental Program Environmental Impact Report, the 2013 Final Regional Water Facilities Optimization and Master Plan Update, and the Final Climate Action Plan, currently planned for Board consideration, certification and adoption at the March 27, 2014 Board meeting.

III. INFORMATION

The following report was received and filed:

1. Water Resources report.

IV. CLOSED SESSION

There were no Closed Session items.

V. ADJOURNMENT

Chair Tu adjourned the meeting at 9:55 a.m.

IMPORTED WATER COMMITTEE

CALL TO ORDER / ROLL CALL

Chair Saxod called the Imported Water Committee meeting to order at 10:05 a.m. Committee members present were Chair Saxod, Vice Chairs Muir and Williams, Directors Arant, Croucher, Hogan, Lewinger, Linden, Olson, Steiner, Watkins, Wilson, and Wornham. Director Evans, Pocklington and Roberts were absent. Also present were Directors Barnum, Brady, Gallo, Hilliker, Kern, Madaffer, Miller, Murtland, Sanford, Saunders, Simpson, Topolovac, Tu, Verbeke, Weston and Wight. At that time, there was a quorum of the Board, and the meeting was conducted as a meeting of the Board; however, only committee members participated in the vote.

Staff present included General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Director of MWD Program Chen, Acting Colorado River Program Director Denham, Government Relations Manager Farrel, and Director of Engineering Rose.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

Andrew Poat, consultant to the State of California Natural Resource Agency on the Bay Delta Conservation Plan (BDCP), spoke before the committee regarding a letter sent by the Hallmark Group on behalf of the California Department of Water Resources that addressed issues related to the BDCP infrastructure review item that was discussed during the February 13, 2014 Special Imported Water Committee meeting.

Mr. Rose stated that staff would review the letter and return to the committee at the March 27, 2014 meeting to address issues raised in the letter.

CHAIR'S REPORT

Chair Saxod reported that Judge Karnow tentatively ruled that Metropolitan Water District violated the state law in setting rates for 2011, 2012, 2013 and 2014, and noted Water Authority's victory for water ratepayers. She thanked the Board, Water Authority member agencies and the entire San Diego community who stood united and resolved to support Water Authority's effort to fight the illegal rates. She also gave special thanks to Water Authority's MWD delegates and staff.

Chair Saxod stated that the public comment period for the Draft Bay Delta Conservation Plan and associated documents had been extended by 60 days to conclude on June 13, 2014. As a result of the additional time, she invited the board to provide staff with specific questions on the BDCP by March 27, 2014 to ensure all questions get addressed.

Chair Saxod announced that she, along with several Directors, attended the MWD sponsored State Water Project Inspection Trip hosted by Directors Hogan and Mudd. She stated there was still time to register for Director Lewinger's upcoming Hoover Dam and Colorado River Aqueduct Inspection Trip on April 25-27, 2014.

DIRECTORS' COMMENTS

There were no comments by Directors.

I. CONSENT CALENDAR

There were no items on the consent calendar.

II. ACTION/DISCUSSION

1. Bay Delta.

1-A Bay-Delta Conservation Plan: Economic and Financial Risk Assessment to the Water Authority.

Ms. Chen and Mr. Denham provided a joint presentation on the second of a two-part report on the economic and financial assessment of the BDCP alternatives as they pertain to the Water Authority. Following the presentation, Directors asked questions and made comments.

2. Metropolitan Water District Issues and Activities update.

2-A Metropolitan Water District Delegates report.

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

The agenda was taken out of order and Mr. Hentschke took the Committee into Closed Session at 11:07 a.m.

IV. CLOSED SESSION

1. CLOSED SESSION:

Conference with Legal Counsel – Existing Litigation

Government Code §54956.9(d)(1)

SDCWA v Metropolitan Water District of Southern California; Case Nos. CPF-10-510830 and CPF-12-512466

2. CLOSED SESSION:

Conference with Legal Counsel – Existing Litigation

Government Code §54956.9(a) – SDCWA v Eastern Municipal Water District;

Riverside Superior Court Case No. RIC1300887

Mr. Hentschke brought the Committee out of Closed Session at 12:03 p.m. and stated there was no reportable action.

2-B Report on Metropolitan Water District's 2014/15 and 2015/16 Proposed Budget and associated Rates and Charges.

Ms. Chen provided a summary of MWD's proposed biennial budget for 2014/15 and 2015/16 and the associated recommended rates and charges for calendar years 2015 and 2016. She also reviewed the next steps and dates for the budget process.

3. Colorado River Program.
 - 3-A Colorado River Board representative's report.

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

III. INFORMATION

The following information item was noted and filed:

1. Metropolitan Water District Program report.

IV. ADJOURNMENT

There being no further business to come before the Imported Water Committee, Chair Saxod adjourned the meeting at 12:20 p.m.

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

Chair Croucher called the Legislation, Conservation and Outreach Committee to order at 1:10 p.m. Committee members present were Chair Croucher, Vice Chairs Madaffer and Topolovac, Directors Barnum, Gallo, Hilliker, Kern, Morrison, Muir, Saxod, Verbeke and Wight. Committee members absent were Directors Evans and Mudd. Other Board members present were Directors Arant, Brady, Hogan, Lewinger, Miller, Murtland, Olson, Sanford, Simpson, Tu, Watkins, Watton, Weston, Williams, Wilson and Wornham. At that time, there was a quorum of the Board, and the meeting was conducted as a meeting of the Board; however, only committee members participated in the vote.

Staff present were General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Director of Public Outreach and Conservation Foster and Government Relations Manager Farrel.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

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

CHAIR'S REPORT

Chair Croucher reported the Water Authority's Fiscal Year 2013 Annual Report, titled "Making History: Reaching Milestones in Water Reliability," was available on the Water

Authority's website. He stated that the report was produced in-house to reduce costs and he thanked all staff involved in producing the report.

He announced the upcoming series of water-efficient plant fairs in partnership with The Home Depot and advised that further information could be found on the Water Authority's WaterSmartSD.org website.

Chair Croucher reported that General Manager Stapleton, Vice Chair Weston and Government Relations Manager Farrel had made a recent trip to Washington D.C. for the ACWA conference and spoke to several elected officials and Administration staff about the issues facing Southern California.

DIRECTORS' COMMENTS

There were no comments made by Directors.

I. CONSENT CALENDAR

There were no items on the Consent Calendar.

II. ACTION/DISCUSSION

1. Legislative Issues.

1-A Report by Gonzalez, Quintana & Hunter.

Mr. Farrell introduced Steve Cruz, who is part of the new firm representing the Water Authority on legislative issues in Sacramento.

Mr. Cruz provided a Sacramento update stating that there were 1,900 bills introduced and 80 of those bills were regarding water, and ten of the bills were water bond bills. He also reported that the Legislature passed a \$687 million package of emergency drought relief legislation.

1-B Adopt positions on various state bills.

Staff recommendation:

1. Adopt a position of Oppose on AB 1249 (Salas).

Director Muir moved, Director Barnum seconded, to adopt staff recommendation and the motion passed unanimously to Adopt a position of Oppose on AB 1249 (Salas).

2. Adopt a position of Oppose Unless Amended on AB 1331 (Rendon).

3. Adopt a position of Oppose Unless Amended on AB 1445 (Logue).

4. Adopt a position of Oppose Unless Amended on SB 848 (Wolk).

Vice Chair Topolovac moved, Vice Chair Madaffer seconded, to adopt staff recommendation and the motion passed unanimously to Adopt a position of Oppose Unless Amended on AB 1331 (Rendon), AB 1445 (Logue), and SB 848 (Wolk).

5. Adopt a position of Support If Amended on SB 927 (Cannella).

Director Kern moved, Director Barnum seconded, to adopt staff recommendation and the motion passed unanimously to Adopt a position of Support If Amended on SB 927 (Cannella).

- 1-C Approve Updated Water Bond Priorities for 2014.
Staff recommendation: Adopt updated water bond priorities for 2014.

Mr. Farrel presented a summary of the recommended updated water bond priorities for 2014.

Vice Chair Topolovac moved, Director Saxod seconded, to adopt staff recommendation and the motion passed unanimously to approve updated water bond priorities for 2014.

III. INFORMATION

1. Water Conservation Garden report.

This item was continued to the March 27, 2014 board meeting.

The committee received and filed the following items:

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

IV. ADJOURNMENT

There being no further business to come before the Legislation, Conservation and Outreach Committee, Chair Topolovac adjourned the meeting at 1:43 p.m.

ENGINEERING AND OPERATIONS COMMITTEE

CALL TO ORDER / ROLL CALL

Chair Brady called the Engineering and Operations Committee meeting to order at 1:48 p.m. Committee members present were Chair Brady, Vice Chair Miller, Directors Barnum, Morrison, Mudd*, Murtland, Olson, Simpson, Tu, Verbeke, Watkins, and Wornham. Vice Chair Pocklington was the only member absent. Also present were Directors Arant, Croucher, Gallo, Hilliker, Hogan, Kern, Lewinger, Madaffer, Sanford, Saunders, Saxod, Steiner, Topolovac, Watton, Weston, Williams, and Wilson. At that time, there was a quorum of the Board, and the meeting was conducted as a meeting of the Board; however, only committee members participated in the vote.

Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Deputy General Counsel Gallien, Director of Operations and Maintenance Eaton, Director of Engineering Rose, Director of Water Resources Weinberg, Engineering Manager Biances, Principal Water Resources Specialist Gage, Principal Engineer Shoaf, Principal Engineering Rodgers. Also present was guest Kevin Davis of Black & Veatch Joint Venture.

* Director Mudd arrived at 2:28 p.m.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

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

CHAIR'S REPORT

There was no Chair's report.

DIRECTORS' COMMENTS

There were no Directors' comments.

I. CONSENT CALENDAR

There were no items on the Consent calendar.

II. ACTION/DISCUSSION

1. Design-Build Performance Specifications for the Twin Oaks Valley Water Treatment Plant Expanded Service Area project.

Staff recommendation: Approve the Design-Build Performance Specifications for the Twin Oaks Valley Water Treatment Plant Expanded Service Area project.

Mr. Belock gave a brief report of the project but no presentation was given.

Director Verbeke moved, Vice Chair Miller seconded, and the motion to approve staff's recommendation passed unanimously. Director Mudd was not present at the time of the vote.

III. INFORMATION

1. Hydropower Task Force update.

Director Hogan gave a brief explanation of the Hydropower Task Force including scope and task force members. Mr. Belock then began a presentation including Rancho Penasquitos production and revenue, Lake Hodges revenue and availability, San Vicente Pumped Storage project overview and players, Black & Veatch contract, Navigant Consulting scope, and City coordination. Ms. Gage continued the presentation including regulatory agencies, current regulatory context, agency coordination progress, continuing agency coordination, embedded energy tracking, and cost of power. At that time, Kevin Davis of Black & Veatch Joint Venture took over the presentation with information regarding the economic study for the San Vicente Pumped Storage project including anticipated market demand shift, future potential power sources, energy market summary, upper reservoir options, configuration options, key risks, project procurement options, obligations of a power purchase agreement holder, and development timeline. Director Hogan concluded the presentation by reviewing discussion topics for the next Hydropower Task Force meeting.

Director Croucher requested that the task force report back to the Board on the status of return on investment on the Lake Hodges and Rancho Penasquitos projects.

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 Brady adjourned the meeting at 2:50 p.m.

ADMINISTRATIVE AND FINANCE COMMITTEE

CALL TO ORDER / ROLL CALL

Chair Saunders called the Administrative and Finance Committee meeting to order at 3:00 p.m. Committee members present were Chair Saunders, Vice Chairs Arant and Wight, Directors Gallo, Hilliker, Hogan, Lewinger, Sanford*, Topolovac, Watton, Weston, Williams, and Wilson. There were no Committee members absent. Also present were Directors Barnum, Croucher, Kern, Madaffer, Miller, Morrison, Saxod, Simpson, Steiner, Tu, Verbeke, and Wornham, as well as Representative Roberts. At that time, there was a quorum of the Board, and the meeting was conducted as a meeting of the Board; however, only Committee members participated in the vote.

Staff present was General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Director of Finance/Treasurer McCraner, Director of Water Resources Weinberg, Interim Director of Administrative Services Brown, and Financial Planning Manager Shank. Also present was Dr. Tom Chestnutt of A&N Technical Services and Jim Bemis of Montague DeRose.

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 Saunders announced a Special Administrative and Finance Committee meeting on fiscal sustainability would be held on March 20 at 1:30 p.m. He congratulated the Finance department on receiving the Excellence in Budget Award from the California Society of Municipal Finance Officers, as well as the Distinguished Budget Presentation Award from the Government Finance Officers Association. Chair Saunders highlighted the contributions of Lisa Celaya, Ann Yasukochi, Liana Whyte, Scott Curran, and Melody Parker.

DIRECTORS' COMMENTS

There were no Directors' comments.

I. CONSENT CALENDAR

1. Treasurer's Report.

Staff recommendation: Note and file the monthly Treasurer's report.

Director Gallo moved, Director Lewinger seconded, and the motion passed unanimously to approve the consent calendar.

II. ACTION/DISCUSSION

1. Continue Discussion of Fiscal Sustainability Task Force recommendations to ensure the long-term fiscal sustainability of the Water Authority and the fair and proportionate recovery of long-term water supply and infrastructure investments.

*Director Sanford arrived at 3:05 p.m.

Task Force Chair Wight introduced the item. Ms. McCraner began the presentation with a review of the task force's four recommendations related to: 1) defining fixed costs, 2) storage charge allocation, 3) allocation of non-commodity revenues to treatment, and 4) supply reliability charge. Ms. McCraner stated recommendation two had been amended and the task force recommended the deferment of recommendation four based on input received at the Committee's January meeting.

Vice Chair Wight, Ms. McCraner, and Mr. Weinberg reviewed the underlying policies of each of the recommendations, as well as key comments from Directors and member agencies that were taken into consideration by the task force.

Vice Chair Wight closed the presentation by outlining next steps in the process which included a meeting of the task force prior to the March 20, 2014 Special Administrative and Finance Committee meeting. Director Wight added the task force would return to the Board with recommendations at the March 27, 2014 meeting.

Chair Saunders lead the committee in a discussion of each recommendation. Directors Arant, Barnum, Lewinger, Madaffer, Mudd, Steiner, Weston, Topolovac, Tu, Watton, Williams, and Wornham asked questions, provided input on the recommendations, and identified specific recommendations and concepts to be further analyzed by the task force.

Director Wight, Ms. Kerl, Ms. McCraner, Mr. Weinberg, and Dr. Chestnutt, provided answers and took note of requests by Directors.

Related to recommendation one, Director Lewinger requested further analysis of a fixed revenue policy that would ensure member agencies have a long-term stake in the projects they approve. Director Tu requested further analysis of the IAC language to ensure a consistent overall policy. Director Steiner requested further analysis of the allocation of non-commodity revenues to treatment charges. Directors Mudd and Madaffer requested all recommendations be considered and approved as a group, not one by one. Director Lewinger requested the net impact

of all four recommendations prior to approval. Director Wornham suggested that if all four recommendations were to be considered and approved together, it would be helpful to the task force to know what the Board's expectation would be in terms of timing.

Vice Chair Wight thanked the Board for their comments and suggestions, and stated the task force would address all questions and requests.

2. Approve the Recommended Variable Rate Debt Management Strategy.
 - (1) Approve the recommended variable rate debt management strategy; and
 - (2) Approve the renewal of the Wells Fargo liquidity facility agreement and adopt resolution 2014-04 authorizing the amendment of the Wells Fargo Bank agreement; and
 - (3) Approve the selection of the Bank of Tokyo to replace the Bayerische Landesbank liquidity facility and adopt Resolution 2014-05 authorizing the issuance and sale of short-term Certificates and authorizing and approving certain action in connection therewith; and
 - (4) Approve the selection of Morgan Stanley and Bank of America/Merrill Lynch to serve as dealers on the Extendable Commercial Paper series.

Financial Planning Manager Shank provided a brief presentation, including a review of the annual fee cost savings for fiscal years 2015 and 2016.

Vice Chair Wight moved, Director Lewinger seconded, and the motion passed unanimously to approve the item.

Chair Saunders thanked Ms. McCraner for her service at the Water Authority.

III. INFORMATION

The following items were noted and filed:

1. Controller's report on monthly financial reports.
2. 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 Saunders adjourned the meeting at 4:50 p.m.

FORMAL BOARD OF DIRECTORS' MEETING OF FEBRUARY 27, 2014

1. **CALL TO ORDER** Chair Wornham called the Formal Board of Directors' meeting to order at 4:55 p.m.
2. **SALUTE TO THE FLAG** Director Arant led the salute to the flag.
3. **ROLL CALL, DETERMINATION OF QUORUM**
Secretary Hogan called the roll. Directors present were Arant, Barnum, Brady, Croucher, Gallo, Hilliker, Hogan, Kern, Lewinger, Madaffer, Miller, Morrison, Mudd, Murtland, Olson, Sanford, Saunders, Saxod, Simpson, Steiner, Topolovac, Tu, Verbeke, Watton, Weston, Wight, Williams, Wilson, Wornham, and Representative Roberts. Directors absent were Evans (p), Linden, Muir, Pocklington (p) and Watkins.

3-A **Report on proxies received.** Director Topolovac was the proxy for Director Evans and Director Morrison was the proxy for Director Pocklington.
4. **ADDITIONS TO AGENDA**
There were no additions to the agenda.
5. **APPROVAL OF MINUTES**
Director Topolovac moved, Director Wilson seconded, and the motion carried at 95.43% of the vote to approve the minutes of the Special meeting of the Imported Water Committee of January 9, 2014 and the Formal Board of Directors' meeting of January 23, 2014.
6. **OPPORTUNITY FOR MEMBERS OF THE PUBLIC WHO WISH TO ADDRESS THE BOARD ON MATTERS WITHIN THE BOARD'S JURISDICTION**
There were no members of the public that wished to speak.

*Representative Roberts and Directors Barnum left the meeting at 5:04 p.m.
7. **PRESENTATIONS AND PUBLIC HEARINGS**
7-A Sweetwater Authority Overview – Jim Smyth, General Manager.

Mr. Smyth, Sweetwater Authority General Manager, provided an overview of the Sweetwater Authority including service area boundaries and population figures, and a brief review of the Board Structure. He continued his presentation with information on operated facilities and locations, customer base, department budget, and water supply portfolio and future forecasts. He briefly covered rate stabilization issues, workforce challenges and succession planning.

*Director Kern left the meeting at 5:15 p.m.

7-B Reappointment of Director. Reappointment of John Simpson representing Camp Pendleton Military Reservation. Term expires January 12, 2020.

7-C Recognition of Sam Jaka, Warehouse Supervisor, Employee of the 2nd Quarter.

*Director Morrison left the meeting at 5:18 p.m.

Chair Wornham congratulated Director Simpson on his reappointment, representing Camp Pendleton Military Reservation.

8. **REPORTS BY CHAIRS**

8-A Chairs report: Chair Wornham announced the cancellation of the Special Imported Water Committee Meeting originally planned for March 13, 2014. He added that there would be a Special Administrative and Finance Committee Meeting on March 20, 2014 to further discuss the Fiscal Sustainability issue.

He reported on a roundtable event he attended with General Manager Stapleton and Assistant General Manager Cushman which was organized by the San Diego Regional Economic Development Corporation. He stated that the roundtable included staff members of state legislators, local elected officials, and Councilmember Sherrie Lightner, who requested to be kept informed on water issues including the MWD rate case and Bay Delta Conservation Plan.

In closing Chair Wornham brought attention to the posters displayed on the Board Room walls. He explained that the posters highlighted the projects that were part of the Emergency Storage Project (ESP) which was approved by the Board more than 15 years ago. He commented that ESP had been a large investment by the Water Authority and member agencies in improving the region's water reliability.

8-B Report by Committee Chairs.

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

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

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

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

9. **CONSENT CALENDAR**

Director Mudd moved, Director Murtland seconded, and the motion carried at 85.86% of the vote to approve the consent calendar. Directors voting no or abstaining are listed under the item number.

9- 1. The Board Adopted positions on various state bills.

1. Adopted a position of Oppose on AB 1249 (Salas)
2. Adopted a position of Oppose Unless Amended on AB 1331 (Rendon)
3. Adopted a position of Oppose Unless Amended on AB 1445 (Logue)
4. Adopted a position of Oppose Unless Amended on SB 848 (Wolk)
5. Adopted a position of Support If Amended on SB 927 (Cannella)

9- 2. Approve Updated Water Bond Priorities for 2014.

The Board adopted updated water bond priorities for 2014.

9- 3. Design-Build Performance Specifications for the Twin Oaks Valley Water Treatment Plant Expanded Service Area project.

The Board approved the Design-Build Performance Specifications for the Twin Oaks Valley Water Treatment Plant Expanded Service Area project.

9- 4. Treasurer's report.

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

9- 5. Approve the Recommended Variable Rate Debt Management Strategy.

The Board approved the recommended variable rate debt management strategy. The Board approved the renewal of the Wells Fargo liquidity facility agreement and adopted **Resolution 2014-04** authorizing the amendment of the Wells Fargo Bank agreement. The Board approved the selection the Bank of Tokyo to replace the Bayerische Landesbank liquidity facility and adopted **Resolution 2014-05** authorizing the issuance and sale of short-term Certificates and authorizing and approving certain actions in connection therewith. The Board approved the selection of Morgan Stanley and Bank of America/Merrill Lynch to serve as dealers on the Extendable Commercial Paper series.

Chair Wornham abstained on item 9- 5.

10. **ACTION/DISCUSSION**

11. **CLOSED SESSION(S)**

Mr. Hentschke announced there was no need for Closed Session.

- 11-A **CLOSED SESSION:**
Conference with Legal Counsel - Existing Litigation
Government Code §54956.9(d)(1)
SDCWA v Metropolitan Water District of Southern California;
Case Nos. CPF-10-510830 and CPF-12-512466
- 11-B **CLOSED SESSION:**
Conference with Legal Counsel - Existing Litigation
Government Code §54956.9(d)(1) -
SDCWA v Eastern Municipal Water District;
Riverside Superior Court Case No. RIC1300887
12. **ACTION FOLLOWING CLOSED SESSION**
13. **SPECIAL REPORTS**
- 13-A GENERAL MANAGER'S REPORT – No report was given.
- 13-B GENERAL COUNSEL'S REPORT – No report was given.
- 13-C SANDAG REPORT – No report was given.
SANDAG Subcommittee: Borders/Regional Planning Committee –
No report was given.
- 13-D AB 1234 Compliance Reports – No reports were given.
14. **OTHER COMMUNICATIONS** - There were no other communications.
15. **ADJOURNMENT**
The meeting was adjourned at 5:25 p.m.

Thomas V. Wornham, Chair

Michael T. Hogan, Secretary

Doria F. Lore, Clerk of the Board