

**MINUTES OF THE FORMAL BOARD OF DIRECTORS' MEETING
APRIL 24, 2014**

ADMINISTRATIVE AND FINANCE COMMITTEE

CALL TO ORDER / ROLL CALL

Chair Saunders called the Administrative and Finance Committee meeting to order at 9:00 a.m. Committee members present was Chair Saunders, Vice Chairs Arant and Wight, Directors Gallo, Hogan, Lewinger, Sanford, Weston, Williams and Wilson. Committee members absent were Directors Gallo, Hilliker, Razak, Topolovac and Watton. Also present were Directors Barnum, Brady, Evans, Kern, Linden, Madaffer, Miller, Murtland, Saxod, Simpson, Steiner, Verbeke, 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, Financial Planning Manager Shank, Financial Resources Manager Celaya, Director of Water Resources Weinberg, Controller Greek, Acting Director of Administrative Services Brown, Human Resources Manager Crowsen and Senior Water Resources Specialist Bombardier. In addition, Stephen Spitz and Doug Montague were in attendance.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

There were five members of the public who requested to speak after Action/Discussion agenda item #2 was presented.

CHAIR'S REPORT

There was no Chair's Report.

DIRECTORS' COMMENTS

There were no Directors' comments.

I. CONSENT CALENDAR

1. Treasurer's Report.
Staff recommendation: Note and file the monthly Treasurer's report.
2. Resolution of Support for the California State University San Marcos Water Resources Management Certificate Program.
Staff recommendation: Adopt Resolution 2014-___ supporting the California State University San Marcos Water Resources Management Certificate Program.

Vice Chair Arant moved the motions, Director Lewinger seconded, and both motions passed unanimously.

II. ACTION/DISCUSSION

1. Authorize the Issuance of Extendable Commercial Paper.
Staff recommendation: Adopt Resolution 2014-___ authorizing the issuance and sale of short-term revenue certificates and authorizing and approving certain actions in connection therewith.

Mr. Shank explained the purpose and background of the recommendation and identified the actions necessary to execute the extendable commercial paper notes.

Vice Chair Wight moved to approve the staff recommendation, Vice Chair Arant seconded, and the motion passed unanimously.

2. Status of Special Agricultural Water Rate Program and summary of recent discussions with agricultural stakeholders.

Mr. Bombardier provided background information on the Transitional Special Agricultural Water Rate (TSAWR) that included; past Board Actions from 2008 through 2012, TSAWR regional cost benefit for calendar year 2014, and a summary of discussions from the February 12, 2014 agriculture stakeholder's meeting held at the Water Authority's Escondido office.

Chair Saunders called for the public speakers to come forward. Eric Larson and Julie Walker with the Farm Bureau, Tom Bellamore and Charley Walk with the California Avocado Commission, and Dwight Detter with Whole Foods Market all spoke in favor of extending the TSAWR.

Vice Chair Wight made a motion to "direct staff to provide the proposed calendar year 2015 rates and charges at the May 22, 2014 Board meeting with and without the inclusion of the current Transitional Special Agricultural Water Rate. Additionally, to include in the future Board work on fiscal sustainability, which would take place later in 2014, an analysis of the TSAWR and consideration, along with other rate issues which were being evaluated".

Director Lewinger seconded Vice Chair Wight's motion and the motion passed unanimously.

III. INFORMATION

The following items were noted and filed:

1. Controller's report;
2. Board of Director's first quarter 2014 expenses and attendance; and
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 Saunders adjourned the meeting at 9:45 a.m.

IMPORTED WATER COMMITTEE
CALL TO ORDER / ROLL CALL

Chair Saxod called the Imported Water Committee meeting to order at 9:50 a.m. Committee members present were Chair Saxod, Vice Chairs Muir* and Williams, Directors Arant, Evans, Hogan, Lewinger, Linden, Olson, Steiner, Wilson, and Wornham. Directors Croucher, Pocklington, Roberts and Watkins were absent. Also present were Directors Barnum, Gallo, Kern, Madaffer, Miller, Morrison, Murtland, Razak, Saunders, Simpson, Tu, Verbeke, Watton, and Weston. At that time, there was a quorum of the Board, and the meeting was conducted as a meeting of the Board; however, only committee members participated in the vote.

Staff present included General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Director of MWD Program Chen, Colorado River Program Director Denham, and others.

*Vice Chair Muir arrived at 10:00 a.m.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

There were no public comments.

CHAIR'S REPORT

Chair Saxod reported that rain and snow from February and March storms had enabled the Department of Water Resources to increase the State Water Project allocation from zero to five percent. She noted that this minimal increase in water supply also helps environmental habitat, farmers and communities, such as Palmdale and Antelope Valley-East Kern. In light of the increase in allocation, the board action item to assign the Water Authority's capacity rights in calendar year 2014 Homer, LLC has been withdrawn – Homer had indicated that it would no longer need to use the Water Authority's capacity rights in Antelope Valley Water Bank this year.

DIRECTORS' COMMENTS

There were no comments by Directors.

I. CONSENT CALENDAR

There were no items on the consent calendar.

The agenda was taken out of order, with item II.I-B presented first.

II. ACTION/DISCUSSION

1. Metropolitan Water District Issues and Activities update.

- 1-B Update on Metropolitan Water District's 2014/15 and 2015/16 Budget and Rates and Charges.

Ms. Chen provided an update on MWD's adopted biennial budget for fiscal years 2015 and 2016 and the associated rates and charges for calendar years 2015 and 2016. She also discussed Water Authority's concerns regarding MWD's budget and rates.

- 1-A Metropolitan Water District Delegates report.

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

2. Report on Public Records Act Litigation against Eastern Municipal Water District and Documents obtained through the Litigation.

Mr. Cushman presented the top findings from the Public Records Act lawsuit against Eastern Municipal Water District. Following the presentation, Directors asked questions and made comments.

3. Colorado River Program.

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

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

4. Use of Water Authority's Recovery and Return Capacity at Antelope Valley Water Bank during calendar year 2014.

Staff recommendation: Authorize the General Manager to enter into an assignment agreement with Renewable Resources Group (dba Homer, LLC) to allow Homer, LLC, to use the Water Authority's 5,000 acre-feet of recovery and return capacity in Semitropic-Rosamond Water Bank Authority's Antelope Valley Water Bank groundwater conjunctive use program in calendar year 2014.

This item was pulled from the agenda for the reason provided above in the Chair's report.

III. INFORMATION

1. Presentation on Salton Sea Mitigation and Restoration update.

Mr. Denham made a presentation on the current state of the Salton Sea and discussed the mitigation and restoration activities. Following the presentation, Directors asked questions and made comments.

The following information item was noted and filed:

2. Metropolitan Water District Program report.

Mr. Hentschke took the Committee into Closed Session at 11:28 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
3. CLOSED SESSION:
Conference with Legal Counsel – Initiation of Litigation
Government Code §54956.9(d)(4) – One Case / MWD Rates and Charges

Mr. Hentschke brought the Committee out of Closed Session at 11:58 a.m. and reported that the committee unanimously authorized staff and special counsel to take all action necessary to initiate litigation regarding Metropolitan's 2015 and 2016 rates and charges.

IV. ADJOURNMENT

There being no further business to come before the Imported Water Committee, Chair Saxod adjourned the meeting at 11:58 a.m.

ENGINEERING AND OPERATIONS COMMITTEE **CALL TO ORDER / ROLL CALL**

Vice Chair Miller called the Engineering and Operations Committee meeting to order at 1:01 p.m. Committee members present were Vice Chairs Miller and Pocklington, Directors Barnum, Morrison, Mudd, Murtland, Olson, Simpson, Tu*, Verbeke, and Wornham and Representative Roberts. Chair Brady and Directors Razak and Watkins were absent. Also present were Directors Arant, Croucher, Evans, Gallo, Hilliker, Hogan, Kern, Lewinger, Linden, Madaffer, Muir, Sanford, Watton, Weston, Williams, and Wilson. At that time, there was a quorum of the Committee.

* Director Tu arrived at 1:05 pm.

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,

Engineering Manager Bousquet, Senior Engineer Henry, and Senior Water Resources Specialist Chadwick.

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 Miller announced that the Engineering and Operations Committee held a Special Meeting on April 10, 2014 at which staff presented information regarding Lessons Learned on the Lake Hodges project, the City of San Diego's IPR project, and the San Vicente Pumped Storage project followed by a discussion period. He noted that staff would return to the Board at a later date with more information requested by the Committee and Board members.

DIRECTORS' COMMENTS

There were no Directors' comments.

I. CONSENT CALENDAR

1. Design services contract with ECORP Consulting, Inc. for Tijuana River Valley Wetland Mitigation project.
Staff recommendation: Accept Amendment 1 in the amount of \$20,000, and approve Amendment 2 in the amount of \$238,000, to provide design services for the Tijuana River Valley Wetland Mitigation project, increasing the contract amount from \$480,000 to \$718,000.

Mr. Belock noted that as the project was mitigating for only Carryover Storage, the rate category would be changed to Storage, not Transportation as stated in the Board memo.

Vice Chair Pocklington moved, Director Mudd seconded, and the motion to pass staff's recommendations passed unanimously.

II. ACTION/DISCUSSION

1. Carlsbad Desalination Project.
Reimbursement agreement with Vallecitos Water District for new facilities related to future contract purchases of treated water from the Carlsbad Desalination Project.
Staff recommendation:
 - 1) Authorize the General Manager to execute an agreement with Vallecitos Water District for reimbursable costs related to the design and construction of new facilities to accommodate future treated water purchases from the Carlsbad Desalination Project.
 - 2) Increase the FY 2014/2015 Capital Improvement Program appropriation and lifetime budget for the Carlsbad Desalination Project by \$220,000 for

reimbursable costs related to future contract purchases of treated water from the Carlsbad Desalination Project.

Mr. Belock gave a presentation on the Vallecitos Water District direct connection to the Desalination Pipeline including the locations of the new Vallecitos 9 pipeline, the connection point, and the flow control facilities.

Director Tu moved, Director Murtland seconded, and the motion to pass staff's recommendations passed unanimously.

III. INFORMATION

1. Advertisement for bids for the Pipelines 3, 4, and 5 Relining at the San Luis Rey River project.

This 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 Engineering and Operations Committee, Vice Chair Miller adjourned the meeting at 1:09 p.m.

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

Chair Tu called the Water Planning Committee Meeting to order at 1:11 p.m. Committee members present were Chair Tu, Vice Chairs Linden and Watton, Directors Kern, Madaffer, Miller, Murtland, Sanford, Simpson and Weston. Directors Brady, Saunders and Steiner were absent. Also present were Directors Arant, Barnum, Croucher, Evans, Gallo, Hilliker, Hogan, Lewinger, Mudd, Muir, Olson, Pocklington, Razak, Saxod, Verbeke, Williams, Wilson and Wornham and 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, Assistant General Manager Cushman, Water Resources Director Weinberg, Water Resources Managers Purcell and Yamada, Senior Water Resources Specialist Tegio, and Water Resources Specialist Dobalian.

PUBLIC COMMENT

There were no requests for public comment received.

CHAIR'S REPORT

Chair Tu briefly reviewed the meeting agenda.

DIRECTORS' COMMENTS

There were no comments made by Directors.

I. CONSENT CALENDAR

There were no items for the Consent Calendar.

II. ACTION/DISCUSSION

1. PUBLIC HEARING; Draft Mitigated Negative Declaration for the Pipelines 3, 4, and 5 Relining Project at San Luis Rey River.

Chair Tu opened the public hearing for the Draft Mitigated Negative Declaration for the Pipelines 3, 4, and 5 Relining Project at San Luis Rey River at 1:12 p.m. and called for public comment. She advised that written comments would be accepted until 5:00 p.m. April 24, 2014. There were no public comments. Mr. Tegio presented information on the project location, components, objectives, environmental impacts, administrative actions, and required actions and permits. Staff responded to comments and questions posed by Directors Gallo, Kern, Pocklington, and Arant.

With no further comments, Director Weston moved and Director Kern seconded a motion to close the public hearing at 1:14 p.m. The motion passed unanimously.

III. INFORMATION

1. Water supply and demand conditions.

Ms. Dobalian reported on the recent revision of the State Water Project Table A Allocation from zero to five percent. Her presentation also provided information on the northern Sierra precipitation index, state snowpack and reservoir conditions, Colorado River basin supply conditions, potable water use in the region and a temperature outlook through July 2014 that remains above average.

The following report was received and filed:

2. Water Resources report.

IV. CLOSED SESSION

There were no Closed Session items.

V. ADJOURNMENT

Chair Tu adjourned the meeting at 1:45 p.m.

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

Chair Croucher called the Legislation, Conservation and Outreach Committee to order at 1:52 p.m. Committee members present were Chair Croucher, Vice Chair Madaffer, Directors Barnum, Evans, Gallo, Hilliker, Kern, Mudd, Muir, Saxod, Verbeke and Wight. Committee members absent were Vice Chair Topolovac and Director Morrison. Other Board members

present were Directors Arant, Hogan, Lewinger, Miller, Murtland, Olson, Pocklington, Razak, Roberts, Sanford, Simpson, Steiner, Tu, Watton, Weston, Williams, Wilson and Wornham. At that time there was a quorum of the Board, and the meeting was conducted as a meeting of the Board; however, only committee members participated in the vote.

Staff present were General Manager Stapleton, General Counsel Hentschke, Deputy General Managers Belock and Kerl, Assistant General Manager Cushman, Director of Public Outreach and Conservation Foster, Government Relations Manager Farrel and Public Affairs Representative Lee. Also present was legislative representative V. John White.

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 announced that the annual Science Fair winners would be recognized at Formal Board and that their exhibits were in the lobby for viewing. He also announced the first series of WaterSmart Landscape Makeover classes, which would begin in the end of April at locations around the county.

He reported that the last LCO pre-brief meeting was held at the San Diego Botanic Garden and that the Water Authority was a corporate sponsor of the Botanic Garden. He announced the Water Authority had recently received two prestigious awards, the Gold Quill Award of Merit from the International Association of Business Communications for the Water Authority's 2012 Annual Report Microsite, themed "Water: Real Value"; and an Emmy Award for art direction for the Water Authority's animated video promoting water reuse, called "It's Perfectly Clear".

DIRECTORS' COMMENTS

There were no comments made by Directors.

I. CONSENT CALENDAR

1-C Adopt positions on various state bills.

Staff recommendation:

1. Adopt a position of Support on AB 407 (V.M. Perez)
2. Adopt a position of Support and Seek Amendments on AB 1636 (Brown)
3. Adopt a position of Support if Amended on AB 1983 (Gray)
4. Adopt a position of Support if Amended on AB 2282 (Gatto)
5. Adopt a position of Support and Seek Amendments on AB 2417 (Nazarian)
6. Adopt a position of Support on AB 2434 (Gomez)
7. Adopt a position of Support if Amended on AB 2554 (Rendon)

8. Adopt a position of Support if Amended on SB 1250 (Hueso)

Director Muir moved, Director Evans seconded, to adopt staff recommendation and the motion passed unanimously to adopt positions on various state bills.

II. ACTION/DISCUSSION

1-C Adopt positions on various state bills.

Staff recommendation:

1. Adopt a position of Support and Seek Amendments on AB 1891 (Donnelly)

Director Madaffer moved, Director Muir seconded, to adopt staff recommendation and the motion passed unanimously to adopt a position of Support and Seek Amendments on AB 1891 (Donnelly).

1. Legislative Issues.

1-A Written report by Ken Carpi.

1-B Report by V. John White Associates.

Mr. White provided a Sacramento update and announced that transition of leadership in both houses of the Legislature was under way, and that Toni Atkins was the new speaker for the Assembly.

1-C Approve proposed amendment to sponsored legislation – AB 2067 (Weber).

Staff recommendation: Approve proposed amendment to sponsored legislation – AB 2067 (Weber).

Director Kern moved, Director Mudd seconded, to adopt staff recommendation and the motion passed unanimously to approve proposed amendment to sponsored legislation – AB 2067 (Weber).

2. 2014 Public Opinion Poll.

Mr. Lee provided a brief background on the public opinion poll and introduced Scott MacKay who provided a summary of poll responses.

III. INFORMATION

1. Drought response communications and outreach update.

Mr. Foster provided an update on the plans for campaign activities and materials for the summer. He presented the logo for the campaign and announced the campaign launch press conference being held at the San Vicente Dam Raise site on Tuesday, April 29, 2014.

The committee received and filed the following items:

2. Status Report on legislation and legislative positions.
3. Government Relations update.

IV. ADJOURNMENT

There being no further business to come before the Legislation, Conservation and Outreach Committee, Chair Croucher adjourned the meeting at 3:00 p.m.

FORMAL BOARD OF DIRECTORS' MEETING OF APRIL 24, 2014

1. **CALL TO ORDER** Chair Wornham called the Formal Board of Directors' meeting to order at 3:17 p.m.

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

3. **ROLL CALL, DETERMINATION OF QUORUM**

Secretary Hogan called the roll. Directors present were Arant, Barnum, Croucher, Evans, Gallo, Hilliker, Hogan, Kern, Lewinger, Madaffer, Miller, Mudd, Muir, Murland, Olson, Pocklington, Sanford, Saunders, Saxod, Simpson, Steiner, Tu, Verbeke, Watton, Weston, Wight, Williams, Wilson, Wornham, and Representative Roberts. Directors absent were Brady, Linden(p), Morrison, Razak, Topolovac and Watkins.

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

4. **ADDITIONS TO AGENDA**

There were no additions to the agenda.

5. **APPROVAL OF MINUTES**

Director Saxod moved, Director Lewinger seconded, and the motion carried at 93.38% of the vote to approve the minutes of the Special meeting of the Administrative and Finance Committee of March 20, 2014 and the Formal Board of Directors' meeting of March 27, 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.

7. **PRESENTATIONS AND PUBLIC HEARINGS**

7-A Presentation of Science Fair award winners.

Chair Wornham recognized the winners of the Science Fair. Public Affairs Supervisor Nenow introduced each of the winners to the Board, and they then provided a brief explanation of their projects and project findings.

7-B San Dieguito Water District Overview – Glenn Pruum, General Manager.

Mr. Pruum provided a presentation including the history of the district, customer base and demands, service area boundaries, water sales overview, water supply, and operated facilities. He briefly discussed the conservation efforts of the district, stating that the district was very close to reaching the conservation goal they set for 2020 of 160 gallons per capita per day. He continued his presentation with an overview of current projects underway, including projects related to recycled water. He concluded his presentation with an overview of the top issues facing the San Dieguito Water District including the impact of the drought on water supply, rising costs of water and balancing rates and charges to the customer, and retirement and succession planning efforts within the district.

7-C Appointment of Director. Halla Razak representing city of San Diego.
Term expires February 24, 2019.

7-D Reappointment of Director. Reappointment of Gary Croucher, Otay Water District. Term expires March 3, 2020.

7-E Reappointment of Director. Reappointment of Mark Watton, Otay Water District.
Term expires January 23, 2020.

Chair Wornham announced the appointment of Director Razak representing the city of San Diego and the reappointment of Directors Croucher and Watton.

8. **REPORTS BY CHAIRS**

8-A Chairs report: Chair Wornham announced to the Board that the Water Authority had received an Emmy Award for the recycled water video “It’s Perfectly Clear” and a Golden Quill Award for the 2012 Annual Report. He recognized Public Affairs Representative II Hubert for the Golden Quill Award, and Public Affairs Representative II Balben for the Emmy Award.

Chair Wornham reported that he would be hosting the Dedication of the San Vicente Dam Raise on July 16, 2014 at 10:00 a.m. He stated that he and Ms. Stapleton had completed the final member agency visit with the last visit being at the Rainbow MWD Board Meeting. He reported that he would be attending the Chambers Congressional luncheon along with Directors Arant, Brady, Saunders, Saxod, Tu, Watton and Wight on April 25, 2014. He stated the luncheon would provide an opportunity to communicate directly with federal representatives and share with them the Water Authority priorities and concerns. He also reported his attendance representing the Water Authority, along with Water Resources Director Weinberg, at a Cal State San Marcos class designed on raising the next generation of water leaders in our region. He announced he was in Sacramento for two days earlier in the month meeting with legislatures as part of a Groundwater Conference.

Chair Wornham concluded his report with a request for Director Sanford to update the Board on the proposed merger between Rainbow MWD and Fallbrook PUD. Director

Sanford replied stating that due to disagreements regarding Board Governance the JPA was terminated during April 2014. He added that subsequent to the JPA termination Fallbrook PUD had petitioned LAFCO for a reorganization of Rainbow MWD. He announced that further updates would be provided as the situation progressed.

8-B Report by Committee Chairs.

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

Imported Water Committee. Director Saxod stated reviewed the meeting and the actions taken.

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

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

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

9. **CONSENT CALENDAR**

Director Gallo moved, Director Arant seconded, and the motion carried at 93.38% of the vote to approve the consent calendar. Directors voting no or abstaining are listed under the item number.

9- 1. Treasurer's report.

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

9- 2. Resolution of Support for the California State University San Marcos Water Resources Management Certificate Program.

The Board adopted **Resolution No. 2014-07** supporting the California State University San Marcos Water Resources Management Certificate Program.

9- 3. Authorize the Issuance of Extendable Commercial Paper.

The Board adopted **Resolution 2014-08** authorizing the issuance and sale of short-term revenue certificates and authorizing and approving certain actions in connection therewith.

9- 4. Use of Water Authority's Recovery and Return Capacity at Antelope Valley Water Bank during calendar year 2014.

This item was removed from the agenda, no action was taken.

9- 5. Design services contract with ECORP Consulting, Inc. for Tijuana River Valley Wetland Mitigation project.

The Board accepted Amendment 1 in the amount of \$20,000, and approved Amendment 2 in the amount of \$238,000, to provide design services for the Tijuana River Valley Wetland Mitigation project, increasing the contract amount from \$480,000 to \$718,000.

- 9- 6. Reimbursement agreement with Vallecitos Water District for new facilities related to future contract purchases of treated water from the Carlsbad Desalination Project.
The Board authorized the General Manager to execute an agreement with Vallecitos Water District for reimbursable costs related to the design and construction of new facilities to accommodate future treated water purchases from the Carlsbad Desalination Project. The Board increased the FY 2014/2015 Capital Improvement Program appropriation and lifetime budget for the Carlsbad Desalination Project by \$220,000 for reimbursable costs related to future contract purchases of treated water from the Carlsbad Desalination Project.
- 9- 7. The Board adopted positions on various state bills.
 1. Adopt a position of Support on AB 407 (V.M. Perez)
 2. Adopt a position of Support and Seek Amendments on AB 1636 (Brown)
 3. Adopt a position of Support if Amended on AB 1983 (Gray)
 4. Adopt a position of Support if Amended on AB 2282 (Gatto)
 5. Adopt a position of Support and Seek Amendments on AB 2417 (Nazarian)
 6. Adopt a position of Support on AB 2434 (Gomez)
 7. Adopt a position of Support if Amended on AB 2554 (Rendon)
 8. Adopt a position of Support if Amended on SB 1250 (Hueso)
- 9- 8. Adopted a position of Support and Seek Amendments on AB 1891 (Donnelly).
The Board approved a position of Support and Seek Amendments on AB 1891 (Donnelly).
- 9- 9. Approve proposed amendment to sponsored legislation – AB 2067 (Weber).
The Board approved proposed amendment to sponsored legislation – AB 2067 (Weber).
- 9-10. Status of Special Agricultural Water Rate Program and summary of recent discussions with agricultural stakeholders.
The Board directed staff to provide the proposed 2015 rates at the May 22, 2014 meeting with and without the inclusion of the current Transitional Special Agricultural Water Rate (TSAWR) Program. Additionally, include in the future Board work on fiscal sustainability which would take place later this calendar year, an analysis of the TSAWR program and its consideration along with the other rate issues which are being evaluated.
- 9-11. ACTION FOLLOWING CLOSED SESSION:
Initiation of Litigation: Authorize staff and special counsel to take all actions necessary to initiate litigation regarding Metropolitan Water District 2015 and 2016 rates and charges.
10. **ACTION/DISCUSSION**
There were no action items.

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
- 11-C **CLOSED SESSION:**
Conference with Legal Counsel - Initiation of Litigation
Government Code §54956.9(d)(4) – One Case / MWD Rates and Charges
12. **ACTION FOLLOWING CLOSED SESSION**
13. **SPECIAL REPORTS**
 - 13-A GENERAL MANAGER’S REPORT – Ms. Stapleton reminded the Board that there would be no Special Board Meeting during May due to the ACWA Conference. She also reported that in March Engineering staff had provided a tour for MWD staff who were interested in using the technology that we used on the Relining Projects related to the pipeline integrity. She added that it was a benefit to the entire region when a technology that works can be shared with others.
 - 13-B GENERAL COUNSEL’S REPORT – Mr. Hentschke reported that during the March 27, 2014 Board Meeting the Board had authorized settlement of litigation in regards to the Lake Hodges Project. He announced that all compensation had been received related to the case and the Water Authority retained almost 8 million dollars of project monies from the 30 million dollar settlement.
 - 13-C SANDAG REPORT – Director Barnum reported on his attendance at the 2014 San Diego Regional Tribal Summit on April 11, 2014. He stated water was a topic at the summit with a focus on the lack of recycled water.
SANDAG Subcommittee: Borders/Regional Planning Committee – No report was given.
 - 13-D AB 1234 Compliance Reports – No reports were given.
14. **OTHER COMMUNICATIONS**

15. **ADJOURNMENT**
The meeting was adjourned at 3:57 p.m.

Thomas V. Wornham, Chair

Michael T. Hogan, Secretary

Doria F. Lore, Clerk of the Board