

**MINUTES OF THE FORMAL BOARD OF DIRECTORS' MEETING
JUNE 22, 2023**

ADMINISTRATIVE AND FINANCE COMMITTEE

CALL TO ORDER / ROLL CALL

Vice Chair Hogan called the Administrative and Finance Committee meeting to order at 9:02 a.m. Committee members present were Vice Chairs Abdullahi and Hogan, and Directors Baze, Hilliker, Hurst (remote), Katz, Kennedy, Madaffer, Meyers, Reeh, and Swanson. Committee members absent were Chair Arant, and Directors Acosta, Ayala, and Simpson. 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 Kerl, General Counsel Edwards, Deputy General Manager Denham, Assistant General Manager Berge, Director of Finance/Treasurer Harris, Director of Administrative Services Foster, Acting Director of Human Resources Spaniol, Controller Woidzik, Budget and Treasury Manager Whyte, Rate & Debt Manager Rossum, Risk and Safety Manager Marcoux, Water Resources Manager Crutchfield, and Information Systems Manager Bartolome.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

The following members of the public addressed the Committee:

- 1) Mr. Tad Brierton, Teamsters member, spoke regarding the tentative MOU agreement.
- 2) Ms. Shelly Parker spoke regarding water rates.
- 3) Mr. Jimmy Knott III spoke regarding water rates.

CHAIR'S REPORT

Vice Chair Hogan announced that on June 9, 2023, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Water Authority for its Annual Comprehensive Financial Report (ACFR) for fiscal year ended June 30, 2022. He noted it was the 23rd consecutive year that the Water Authority had received the prestigious award and congratulated the Finance Department.

DIRECTORS' COMMENTS

There were no Directors' comments.

I. CONSENT CALENDAR

Consent Calendar item I-2. was pulled for further discussion.

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

3. Approve amendments to the consolidated Memorandum of Understanding with the represented employees, approve amendments to the compensation plan for represented and unrepresented employees, and approve corresponding Classification and Salary Schedules.
Staff recommendation: Adopt Resolution No. 2023-22, a resolution of the Board of Directors of the San Diego County Water Authority approving amendments to and extension of the consolidated memorandum of understanding with the Teamsters Local 911 Union representing the technical/support, professional/administrative, and managerial/supervisory bargaining groups; approving compensation plan adjustments for executive, senior management, and confidential employees; and approving classification and salary schedules for the period from July 1, 2023 through June 30, 2026.

Vice Chair Abdullahi moved, Director Madaffer seconded, and the motion to approve staffs' recommendation for items I-1 and I-3 passed.

Pulled item:

2. Contract Amendment for DCSE, Inc., for maintenance for the Water Authority's Data Archival and Invoicing System.
Staff recommendation: Authorize the General Manager to amend the DCSE, Inc., professional services contract to extend the agreement term for an additional two years, in the amount of \$220,000, for continued maintenance of the Data Archival and Invoicing System (DAIS), increasing the authorized contract amount from \$149,500 to \$369,500.

Directors made comments and asked questions, and staff responded.

Director Katz moved, Vice Chair Abdullahi seconded, and the motion to approve staffs' recommendation passed. Director Kennedy voted No.

II. ACTION/DISCUSSION/PRESENTATION

1. Finance Planning Work Group (FPWG) Update.

FPWG Chair Hilliker presented a summary of topics covered in the FPWG meeting held June 2, 2023, which included follow-up from the May Board meeting, All-In Rate vs Effective Rate Methodology, and Member Agency Rate Workgroup meeting. He noted a discussion was revisited following May Board direction for Alternative 2B (Use Reserves Beyond Board Policy + Defeasement). Chair Hilliker reported that during discussions staff reiterated that failing to meet Board defined financial policies may elicit a rating downgrade, incurring \$25+ million in additional costs impacting long-term affordability and generational equity. He stated that staff clarified that the potential costs of a downgrade were not included in Alternative 2B's rate guidance, and concluded with a review of the FPWG recommendation that the Board adopt Alternative 1B (Maintain Existing Policy + Defeasement).

Chair Hilliker stated a Board Workshop was scheduled for September, 2023.

Directors made comments and asked questions, and Chair Hilliker and staff responded.

2. Adopt the Water Authority Board's Recommended Rates and Charges for Calendar Year 2024.

Board recommendation:

- a. Conduct the Public Hearing;
- b. Adopt the Board's Recommended Rates and Charges based Rate Alternative 1B: Maintaining Board Policy & Defeasance of Outstanding Debt, with an effective rate impact of 9.5%, and adopt - Ordinance No. 2023-01 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;
- c. Adopt Resolution No. 2023-23 a resolution of the Board of Directors of the San Diego County Water Authority continuing the Standby Availability Charge; and
- d. Find the actions exempt from CEQA pursuant to Public Resources Code § 21080(b)(8) and authorize the General Manager to file a notice of exemption.

Vice Chair Hogan opened the Public Hearing at 9:45 a.m.

Mr. Rossum presented on calendar year 2023 Rates and Charges. He reviewed the elongated development process, two rate adjustment considerations, and May 2023 Board direction. Mr. Rossum concluded with discussion on FPWG recommendation focus points, and a review of FPWG rate recommendation Alternative 1B: Maintain Board Policy & Defeasance of Outstanding Debt, with an effective rate impact of 9.5 percent.

The following members of the public addressed the committee:

- 1) Mr. Jimmy Knott III spoke regarding water rates.

Vice Chair Hogan closed the Public Hearing at 10:02 a.m.

Directors made comments and asked questions, and staff responded.

Vice Chair Abdullahi moved to adopt Alternative 1-B: Maintain Board Policy and Defeasance of Outstanding Debt, with an effective rate impact of 9.5 percent. Director Madaffer seconded, and the motion to approve the Boards' recommendation passed. Directors Baze, Kennedy, Meyers, Reeh, and Swanson voted No.

3. General Manager's Recommended Budget for Fiscal Years 2024 and 2025.

Board Direction:

- a. Formally adopt the General Manager's Recommended Budget for Fiscal Years 2024 and 2025, using Rate Alternative 2B: Use Reserves Beyond Board Policy and Defeasance bonds for an 8.2% Effective Rate Increase for rates and charges for Calendar Year 2024.

- b. Approve adoption of Resolution No. 2023-24 a Resolution of the Board of Directors of the San Diego County Water Authority approving the General Manager's Recommended Budget for Fiscal Years 2024 and 2025, for operations and capital improvements and appropriating \$1,855,823,366 consistent with the approved budget.

Ms. Kerl presented the General Manager's Recommended Budget for Fiscal Years 2024 and 2025. She provided a budget overview and reviewed the budget development schedule. Ms. Kerl provided follow-up on CIP revenue and expense changes, and budget mitigations implemented. She concluded with a review of the Board Direction using Alternative 1B.

Directors made comments and asked questions, and staff responded.

Director Katz moved, Director Madaffer seconded, and the motion to approve the Boards' direction passed. Directors Baze, Kennedy, Meyers, Reeh, and Swanson voted No.

4. Purchase of Water Authority Business Insurance for Fiscal Year 2024.
Staff recommendation: Authorize the General Manager to purchase property insurance for fiscal year 2024 from Swiss Reinsurance Company Ltd in the amount of \$15,600, \$31 million in liability insurance from Allied World Assurance Company – CalMutuals JPRIMA in the amount of \$488,698, and workers' compensation insurance from Zenith Insurance Company – CalMutuals JPRIMA in the amount of \$390,765, for a total amount of \$1,195,063.

Director McMillan asked a question, and staff responded.

Director Katz moved, Vice Chair Abdullahi seconded, and the motion to approve staffs' recommendation passed unanimously.

III. INFORMATION

The following information items were received and filed:

1. Controller's Report on Monthly Financial Activity.
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 Arant adjourned the meeting at 11:16 a.m.

ENGINEERING AND OPERATIONS COMMITTEE
CALL TO ORDER/ROLL CALL

Director Abdullahi called the Engineering and Operations Committee meeting to order at 11:22 a.m. Committee members present were Directors Abdullahi, Butkiewicz, Castaneda, Fong-Sakai, Kennedy*, Macedo, McMillan, Miller, Smith, and Yamane. Committee members absent were Chair Scalzitti, Vice Chairs Ayala and Elitharp, Director Arant, and Supervisor Desmond. 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 Kerl, General Counsel Edwards, Deputy General Manager Denham, Director of Operations and Maintenance Plajzer, Deputy Director of Engineering Kuzmich, Construction Manager Contreras, and Clerk of the Board Nelson.

ADDITIONS TO AGENDA

There were no additions to the agenda.

* Director Kennedy arrived at 11:25 am.

PUBLIC COMMENT

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

CHAIR'S REPORT

Director Abdullahi announced the Twin Oaks Valley Treatment Plant tour was rescheduled for August 11, 2023, at 10:00 a.m.

DIRECTORS' COMMENTS

There were no Directors' comments.

I. CONSENT CALENDAR

1. Notice of Completion for Dulin Hill Erosion Repair project.
Staff recommendation: Authorize the General Manager, or designee, to accept the Dulin Hill Erosion Repair Project as complete, record Notice of Completion, and release funds held in retention to Mac Dad Builders Inc., in accordance with the contract and applicable law.

Director Macedo moved, Director Yamane seconded, and the motion to approve staffs' recommendation passed unanimously.

II. ACTION/DISCUSSION/PRESENTATION

1. Notice of Completion for Pipeline 5 Relining, North Twin Oaks Valley Road to Crossover Pipeline Turnout project.
Staff recommendation: Authorize the General Manager, or designee, to accept the Pipeline 5 Relining, North Twin Oaks Valley Road to Crossover Pipeline project as complete, record the Notice of Completion,

and release all funds held in retention to J.F. Shea Construction, Inc. in accordance with the contract and applicable law.

Mr. Contreras presented an overview of the project that included project history, process and timeline, contract costs, and a review of the staff recommendation.

Director Fong-Sakai commended staff for processing change orders that helped the Agency and ratepayers save over \$700,000 during project construction.

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

III. INFORMATION

There were no Information items.

IV. CLOSED SESSION

There were no Closed Session items.

V. ADJOURNMENT

There being no further business to come before the Engineering and Operations Committee, Director Abdullahi adjourned the meeting at 11:34 a.m.

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

Chair Martinez called the Imported Water Committee meeting to order at 11:39 a.m. Committee members present were Vice Chairs Madaffer* and Miller, and Directors Bebee, Castaneda, Fong-Sakai, Heidemann, Hogan, Katz, Meyers, Quiram, Serrano, and Steiner. Committee members absent were Directors Croucher and Scalzitti. 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 Kerl, General Counsel Edwards, Deputy General Manager Denham, Assistant General Manager Berge, Director of MWD Program Chen, Colorado River Program Manager Schnell, and MWD Delegate Goldberg.

ADDITIONS TO THE AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

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

CHAIR'S REPORT

Chair Martinez reported that Director Heidemann was sworn in as an Alternate Representative on the Colorado River Board of California.

*Vice Chair Madaffer arrived at 11:42 a.m.

DIRECTORS' COMMENTS

There were no Directors' comments.

I. CONSENT CALENDAR

There were no items on the Consent Calendar.

II. ACTION/DICUSSION/PRESENTATIONS

1. MWD Issues and Activities Update.
1-A Metropolitan Water District Delegates Report.

MWD Delegates Miller, Fong-Sakai, Smith, and Goldberg reported on discussions and actions taken at the recent MWD Board meetings.

Directors made comments and asked questions, and staff responded.

2. Colorado River Hydrology and Basin States Update.

Ms. Schnell provided an overview of Water Year 2023, Basin hydrology improvements, near-term actions, and a comparison of alternatives. She also discussed the Water Authority's perspective in alternatives, the Lower Basin Plan submitted to Reclamation, and next steps.

Directors made comments and asked questions, and staff responded.

III. INFORMATION

The following Information item was received and filed:

1. Colorado River Board Representative's report.

IV. CLOSED SESSION

Mr. Edwards took the committee into Closed Session at 12:30 p.m.

1. Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
SDCWA v. Metropolitan Water District of Southern California; San Francisco Superior Court Case Nos. CPF-10- 510830; CPF-12-512466; CPF-14-514004; CPF-16-515282; CPF-16-515391; CGC-17-563350; CPF-18-516389; California Court of Appeal (1st District) Case Nos. A146901; A148266; A154325; A161144; A162168; California Supreme Court Case Nos. S243500; and S251025

Mr. Edwards brought the committee out of Closed Session at stated there was no reportable action.

V. ADJOURNMENT

There being no further business to come before the Imported Water Committee, Chair Martinez adjourned the meeting at 12:44 p.m.

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

Chair Heidemann called the Water Planning and Environmental Committee meeting to order at 1:20 p.m. Committee members present were Vice Chairs Macedo and Smith, and Directors Hurst, Leahy, Lyndes, McMillan, Quiram, Vespi, Whitburn, Yamane, and Supervisor Desmond. Committee members absent were Directors Acosta, Baze, and Elitharp. 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 Kerl, General Counsel Edwards, Deputy General Manager Denham, Assistant General Manager Berge, Director of Water Resources Gage, Water Resources Manager Lovsted, and Water Resources Specialist Lopez.

ADDITIONS TO THE AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

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

CHAIR'S REPORT

There was no Chair's report.

DIRECTORS' COMMENTS

There were no Directors' comments.

I. CONSENT CALENDAR

1. Rescind Resolution No. 2021-24, A Resolution of the Board of Directors of the San Diego County Water Authority Activating Level 1 of the Water Authority's Water Shortage Contingency Plan.
Staff recommendation: Rescind Resolution No. 2021-24, to deactivate Level 1 of the Water Authority's Water Shortage Contingency Plan, effective July 1, 2023 (WSCP).
2. Extension of Water Conservation Garden Operation Agreement.
Staff recommendation: Approve a \$96,000 financial contribution for the one-year extension of the current Operation Agreement between the Water Conservation Garden Authority and the Friends of the Water Conservation Garden (IRS 501(c)(3)) for the continued operation and maintenance of the Water Conservation Garden through June 30, 2024.

Director Lyndes moved, Director Leahy seconded, and the motion to approve staff's recommendations passed unanimously.

II. ACTION/DICUSSION/PRESENTATIONS

3. Update on Long-Term Water Use Efficiency Standards.

Ms. Lovsted provided an update on conservation legislation, rulemaking process to adopt long-term standards, regulation making, draft final standards, and next steps.

Directors made comments and asked questions, and staff responded.

III. INFORMATION

There were no Information items.

IV. CLOSED SESSION

There were no Closed Session items.

V. ADJOURNMENT

There being no further business to come before the Water Planning and Environmental Committee, Chair Heidemann adjourned the meeting at 1:34 p.m.

LEGISLATION AND PUBLIC OUTREACH COMMITTEE **CALL TO ORDER/ROLL CALL**

Chair Butkiewicz called the Legislation and Public Outreach Committee meeting to order at 1:39 p.m. Committee members present were Chair Butkiewicz, Vice Chairs Reeh and Steiner, and Directors Bebee, Hilliker, Leahy*, Lyndes, Martinez, Serrano, Swanson, Vespi, and Whitburn. Committee members absent were Directors Croucher and Simpson. At that time, there was a quorum of the committee, and the meeting was conducted as a meeting of the Board; however, only committee members participated in the vote.

Staff present was General Manager Kerl, General Counsel Edwards, Deputy General Manager Denham, Assistant General Manager Berge, Public Affairs Director Vedder, Government Relations Manager Valencia, and Principal Public Affairs Representative Stiff.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

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

* Director Leahy arrived at 1:41 p.m.

CHAIR'S REPORT

Chair Butkiewicz reported that Senate President Pro Tem Toni Atkins presented General Manager Kerl with a Resolution signed by the entire state delegation that recognized and

celebrated her career as she moved into retirement. He announced that proclamations from Congressman Peters and Congressman Issa were also presented to Ms. Kerl.

DIRECTORS' COMMENTS

There were no Directors' comments.

I. CONSENT CALENDAR

1. Adopt positions on various bills.

Staff recommendation:

- A. Adopt a position of Oppose on AB 1205 (Bauer-Kahan), relating to Water Rights: sale, transfer, or lease: agricultural lands.
- B. Adopt a position of Support if Amended on AB 1373 (Garcia), relating to Energy.

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

II. ACTION/DISCUSSION/PRESENTATION

- 1. Government Relations Update.
 - 1-A Washington report.
 - 1-B Sacramento report.

Chair Butkiewicz asked Directors to refer to the written Government Relations update included in the Board Packet.

- 2. Summer Landscape Program Outreach.

Ms. Stiff provided a presentation of the Summer 2023 outreach and education program. The campaign titled "Thanks for planting me" thanks residents for embracing low-water-use landscapes, from the plant's perspective.

Director Fong-Sakai commented and asked a question and Ms. Vedder responded.

III. INFORMATION

There were no Information items.

IV. CLOSED SESSION

There were no Closed Session items.

V. ADJOURNMENT

There being no further business to come before the Legislation and Public Outreach Committee, Chair Butkiewicz adjourned the meeting at 1:50 p.m.

FORMAL BOARD OF DIRECTORS' MEETING OF JUNE 22, 2023

1. **CALL TO ORDER** Chair Katz called the Formal Board of Directors' meeting to order at 2:05 p.m.

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

3. **ROLL CALL, DETERMINATION OF QUORUM**
Clerk of the Board Nelson called the roll. Directors present were Chair Katz, Vice Chair Serrano, Secretary Hilliker, and Directors Abdullahi, Bebee, Butkiewicz, Castaneda, Fong-Sakai, Hogan, Hurst (remote), Kennedy, Leahy, Lyndes, Macedo, Madaffer, Martinez, McMillan, Meyers, Miller, Quiram, Reeh, Smith, Steiner, Swanson, Vespi, Whitburn, and Yamane. Directors absent were Acosta (p), Arant (p), Ayala, Baze, Croucher (p), Elitharp, Heidemann (p), Scalzitti (p), Simpson, and Supervisor Desmond.

Staff present included General Manager Kerl, General Counsel Edwards, Deputy General Manager Denham, Assistant General Manager Berge, Director of Administrative Services Foster, Director of Engineering Bousquet, Director of Finance Harris, Acting Director of Human Resources Spaniol, Director of MWD Program Chen, Director of Operations & Maintenance Plajzer, Director of Public Affairs Vedder, Director of Water Resources Gage, and Clerk of the Board Nelson.

3-A **Report on proxies received.** Director Quiram was the proxy for Director Acosta, Director Smith was the proxy for Director Croucher, Director McMillan was the proxy for Director Scalzitti, Director Bebee was the proxy for Director Arant, and Director Martinez was the proxy for Director Heidemann.

4. **OPPORTUNITY FOR MEMBERS OF THE PUBLIC WHO WISH TO ADDRESS THE BOARD ON MATTERS WITHIN THE BOARD'S JURISDICTION.**

The following members of the public made comments:

1. Ms. Suzanne Till addressed the Board on SDCWA Rates and Charges.
2. Mr. Tim Smith addressed the Board on behalf of the SDCWA MWD Board Delegates regarding correspondence sent to MWD by Directors Kennedy and Bebee on deannexation.
3. Mr. Jack Bebee addressed the Board regarding correspondence sent to MWD on annexation issues.
4. Mr. Jimmy Knot, Oceanside resident, addressed the Board regarding carbon offset credits, and assistance for seniors and low-income households.

5. **ADDITIONS TO AGENDA**
There were no additions to the agenda.

6. **APPROVAL OF MINUTES**
Director Kennedy moved, Vice Chair Serrano seconded, and the motion carried at 90.343% of the vote to approve the minutes of the Special Administrative and Finance

Committee meeting of May 16, 2023 and the Formal Board of Directors' meeting of May 25, 2023. Directors Abstained: Fong-Sakai, Hurst, Macedo, and Miller. Director Steiner Abstained on the May 16, 2023 Administrative and Finance Committee Meeting minutes.

7. **PRESENTATIONS AND PUBLIC HEARINGS**

7.1 Adopt Resolution No. 2023-25 honoring Keith Lewinger upon his retirement from the Board of Directors.

Chair Katz announced the retirement of Director Keith Lewinger. He reviewed his 22-year service history and thanked him for his time on the San Diego County Water Authority Board of Directors.

Director Lewinger spoke briefly.

Director Steiner spoke briefly.

Director Quiram thanked Director Lewinger for his service to the SDCWA Board and for the City of Carlsbad. Directors Madaffer and Fong-Sakai, and Ms. Kerl spoke briefly.

Director Steiner moved, Vice Chair Serrano seconded, and the motion carried at 95.437% of the vote to adopt Resolution No. 2023-25.

7.2 Appointment of Vicki Quiram, representing the City of Carlsbad.
Term ending June 16, 2026.

Chair Katz announced the appointment of Director Quiram, representing the City of Carlsbad.

Director Quiram spoke briefly.

8. **REPORT BY CHAIRS**

8-A Chair's Report: Chair Katz shared his thoughts on conversations during the A&F Committee and expressed his eagerness to continue discussions at the Board of Directors Workshop scheduled for September 7, 2023, at Coastal Roots Farm in Encinitas. He encouraged all Board members to attend the workshop and to engage in the topics addressed during the day.

Chair Katz announced that a Special Board Meeting was scheduled for July 13, 2023, to discuss Third Party Transfers.

He congratulated Santa Fe Irrigation District for celebrating their 100-year anniversary.

Chair Katz reminded the Board of the retirement celebration planned for Ms. Kerl on June 26, 2023, at 5 p.m. at Casa Machado in San Diego. He stated that

on June 16, 2023 Senate Pro-Tem Toni Atkins presented Ms. Kerl with a Proclamation that was signed by all the current California State Senators, and California State Assembly Members. He added that Proclamations were also given to Ms. Kerl by Congressman Issa and Congressman Peters. He reviewed some of the accomplishments of Ms. Kerl and thanked her for her service to SDCWA.

Director Miller presented Ms. Kerl with a Resolution on behalf of Vista Irrigation District honoring her for 41 years of service to the community.

Director McMillan, and Helix Water District Board President Coates-Hedberg, presented Ms. Kerl with a Resolution on behalf of Helix Water District.

Ms. Kerl responded briefly. She thanked the Board and staff for the opportunity to serve.

- 8-B Report of Committee Actions
Administrative and Finance Committee
Engineering and Operations Committee
Imported Water Committee
Water Planning and Environmental Committee
Legislation and Public Outreach Committee

Ms. Nelson reported on all Committee actions.

Director Bebee commented on recommended rates, and budget.

Director Lyndes asked a question regarding Consent Calendar voting procedures and Mr. Edwards responded.

Directors Kennedy and Reeh requested clarification on Consent Calendar items 9.4 and 9.5 and staff responded.

9. **CONSENT CALENDAR**

Vice Chair Serrano moved, Secretary Hilliker seconded, and the motion carried at 95.437% of the vote to approve Consent Calendar items 9.1, and 9.6-9.11. Directors voting no, or abstaining are listed under the item. Director Kennedy voted No on 9.2. Director Swanson abstained on 9.3. Directors Bebee, Castaneda, Kennedy, Leahy, Lyndes, McMillan, Meyers, Reeh, Scalzitti (p), and Swanson voted No on 9.4 & 9.5.

9.1 **Monthly Treasurer's Report on Investments and Cash Flow.**

The Board noted and filed the Treasurer's report.

9.2 Contract Amendment for DCSE, Inc., for maintenance for the Water Authority's Data Archival and Invoicing System.

The Board authorized the General Manager to amend the DCSE, Inc., professional services contract to extend the agreement term for an additional two years, in the amount of \$220,000, for continued maintenance of the Data Archival and Invoicing System (DAIS), increasing the authorized contract amount from \$149,500 to \$369,500.

Director Kennedy voted No on 9.2. The vote passed at 91.545%

9.3 Approve amendments to the consolidated Memorandum of Understanding with the represented employees, approve amendments to the compensation plan for represented and unrepresented employees, and approve corresponding Classification and Salary Schedules.

The Board adopted Resolution No. 2023-22, a resolution of the Board of Directors of the San Diego County Water Authority approving amendments to and extension of the consolidated memorandum of understanding with the Teamsters Local 911 Union representing the technical/support, professional/administrative, and managerial /supervisory bargaining groups; approving compensation plan adjustments for executive, senior management, and confidential employees; and approving classification and salary schedules for the period from July 1, 2023 through June 30, 2026.

Director Swanson abstained on 9.3. The vote passed at 92.744%

9.4 Adopt the Water Authority Board's Recommended Rates and Charges for Calendar Year 2024.

The Board conducted the Public Hearing; adopted the Finance Planning Work Group Recommendation for Calendar Year 2024 Rates and Charges using Rate Alternative 1B: Maintaining Board Policy & Defeasance of Outstanding Debt, with an effective rate impact of 9.5%, and adopted Ordinance No. 2023-01 setting rates and charges for the delivery and supply of water, use of facilities, and provision of services; adopted Resolution No. 2023-23 continuing the Standby Availability Charge; and Found that the actions are exempt from CEQA.

Directors Bebee, Castaneda, Kennedy, Leahy, Lyndes, McMillan, Meyers, Reeh, Scalzitti (p), and Swanson voted No on 9.4. The vote passed at 62.951%

9.5 General Manager's Recommended Budget for Fiscal Years 2024 and 2025.

The Board adopted the General Manager's Recommended Budget for Fiscal Years 2024 and 2025, using Rate Alternative 1B: Use Reserves Maintaining Board Policy and Defeasance bonds for an 9.5% Effective Rate Increase for rates and charges for Calendar Year 2024; and, adopted Resolution No. 2023-24, approving the General Manager's Recommended Budget for Fiscal Years 2024 and 2025, for operations and capital improvements and appropriating \$1,855,823,366 consistent with the approved budget.

Directors Bebee, Castaneda, Kennedy, Leahy, Lyndes, McMillan, Meyers, Reeh, Scalzitti (p), and Swanson voted No on 9.5. The vote passed at 62.951%

- 9.6 Purchase of Water Authority Business Insurance for Fiscal Year 2024.
The Board authorized the General Manager to purchase property insurance for fiscal year 2024 from Swiss Reinsurance Company Ltd in the amount of \$315,600, \$31 million in liability insurance from Allied World Assurance Company – CalMutuals JPRIMA in the amount of \$488,698, and workers’ compensation insurance from Zenith Insurance Company – CalMutuals JPRIMA in the amount of \$390,765, for a total amount of \$1,195,063.
- 9.7 Notice of Completion for Dulin Hill Erosion Repair project.
The Board authorized the General Manager, or designee to accept the Dulin Hill Erosion Repair project as complete, record Notice of Completion, and release funds held in retention to Mac Dad Builders Inc., in accordance with the contract and applicable law.
- 9.8 Notice of Completion for Pipeline 5 Relining, North Twin Oaks Valley Road to Crossover Pipeline Turnout project.
The Board authorized the General Manager, or designee, to accept the Pipeline 5 Relining, North Twin Oaks Valley Road to Crossover Pipeline project as complete, record the Notice of Completion, and release all funds held in retention to J.F. Shea Construction, Inc. in accordance with the contract and applicable law.
- 9.9 Rescind Resolution No. 2021-24, *A Resolution of the Board of Directors of the San Diego County Water Authority Activating Level 1 of the Water Authority’s Water Shortage Contingency Plan.*
The Board approved rescinding Resolution No. 2021-24, to deactivate Level 1 of the Water Authority’s Water Shortage Contingency Plan, effective July 1, 2023 (WSCP).
- 9.10 Extension of Water Conservation Garden Operation Agreement.
The Board approved a \$96,000 financial contribution for the one-year extension of the current Operation Agreement between the Water Conservation Garden Authority and the Friends of the Water Conservation Garden (IRS 501(c)(3)) for the continued operation and maintenance of the Water Conservation Garden through June 30, 2024.
- 9.11 Adopt positions on various bills.
The Board adopted a position of Oppose on AB 1205 (Bauer-Kahan), relating to Water Rights: sale, transfer, or lease: agricultural lands; and, position of Support, if Amended, on AB 1373 (Garcia), relating to Energy.
10. **ACTION/DISCUSSION/INFORMATION**
- 10.1 Adopt a resolution supporting Ernesto (Ernie) A. Avila for Vice President of the Association of California Water Agencies.
The Board adopted Resolution No. 2023-26 supporting Ernesto A. Avila for Vice President of the Association of California Water Agencies.

Ms. Valencia briefly reviewed the recommendation.

Director Madaffer moved, Director Castaneda seconded, and the motion carried at 95.437% of the vote to adopt Resolution No. 2023-26 supporting Ernesto A. Avila for Vice President of the Association of California Water Agencies.

11. **SPECIAL REPORTS**

- 11-A GENERAL MANAGER'S REPORT – Ms. Kerl stated she had nothing further to report.
- 11-B GENERAL COUNSEL'S REPORT – Mr. Edwards stated he had nothing further to report.
- 11-C SANDAG REPORT – Chair Katz reported on action and discussion from the July 9, 2023 SANDAG Board meeting.
SANDAG Subcommittees:
Borders Committee – No report was provided.
Regional Planning Committee – Chair Katz read a written report provided by Director Elitharp on action and discussion from the June 2, 2023 meeting.
- 11-D AB 1234 Compliance Reports – No reports were provided.

12. **CLOSED SESSION(S)**

Mr. Edwards took the Board into Closed Session on item 12-C at 3:01 p.m.

- 12-C Public Employee Appointment
Government Code §54957(b)(1)
Position to be filled: General Manager

Mr. Edwards brought the Board out of Closed Session at 4:17 p.m. and stated there was no reportable action.

Director Kennedy commented briefly.

Mr. Edwards took the Board back into Closed Session on item 12-D at 4:19 p.m.

Directors Bebee, Kennedy, and Whitburn Recused on 12-D and left the room prior to Closed Session discussion.

- 12-A Conference with Legal Counsel – Anticipated Litigation
Government Code §54956.9(d)(2)
One Case
- 12-B Conference with Legal Counsel – Existing Litigation
Government Code §54956.9(d)(1)
SDCWA v. Metropolitan Water District of Southern California; San Francisco Superior Court Case Nos. CPF-10-510830; CPF-12-512466; CPF-14-514004; CPF-16-515282; CPF-16-515391; CGC-17-563350; CPF-18-516389; California Court of Appeal (1st District) Case Nos. A146901; A148266; A154325; A161144; A162168; California Supreme Court Case Nos. S243500; and S251025

- 12-D Conference with Legal Counsel – Anticipated Litigation
Initiation of litigation pursuant to Government Code §54956.9(d)(4)
One Case

Mr. Edwards brought the Board out of Closed Session at 4:33 p.m. and stated there was no reportable action.

13. **ACTION FOLLOWING CLOSED SESSION**


There was none.

14. **OTHER COMMUNICATION**

There was none.

15. **ADJOURNMENT**


Vice Chair Serrano announced that a quorum of the Board was lost during Closed Session and therefore he adjourned the meeting at 4:34 p.m.



Mel Katz, Chair



Frank Hilliker, Secretary



Melinda Nelson, Clerk of the Board