

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
June 15, 2016**

In the absence of President Osborne and Vice President Barbre, Director Finnegan chaired the meeting. At 8:30 a.m. Director Finnegan called to order the Regular Meeting of the Municipal Water District of Orange County in the Board Room at the District facilities located in Fountain Valley. Director Tamaribuchi led the Pledge of Allegiance and Secretary Goldsby called the roll.

It was noted that Directors Osborne and Dick were on pre-arranged vacations, and that Director Barbre was serving Jury Duty.

MWDOC DIRECTORS

Brett R. Barbre (absent)
Larry Dick (absent)
Joan Finnegan
Susan Hinman
Wayne Osborne (absent)
Sat Tamaribuchi
Jeffery M. Thomas

STAFF

Robert Hunter, General Manager
Karl Seckel, Assistant General Manager
Ruben Duran, Legal Counsel
Maribeth Goldsby, Board Secretary
Harvey De La Torre, Associate General Mgr.
Jonathan Volzke, Public Affairs Manager
Melissa Baum-Haley, Sr. Water Resources Analyst

ALSO PRESENT

Larry McKenney
Linda Ackerman
William Kahn
Dennis Erdman
Rick Erkeneff
Andy Brunhart
Gary Melton
Marc Marcantonio
Richard Eglash

MWDOC MET Director (absent)
MWDOC MET Director
El Toro Water District
South Coast Water District
South Coast Water District
South Coast Water District
Yorba Linda Water District
Yorba Linda Water District
Brady & Associates

PUBLIC PARTICIPATION/PUBLIC COMMENT

Director Finnegan announced members of the public wishing to comment on agenda items could do so after the item has been discussed by the Board and requested members of the public identify themselves when called on. Ms. Finnegan asked whether there were any comments on other items which would be heard at this time.

No comments were received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

Determine need and take action to agendize items(s), which arose subsequent to the posting of the Agenda. (ROLL CALL VOTE: Adoption of this recommendation requires a two-thirds vote of the Board members present or, if less than two-thirds of the Board members are present, a unanimous vote.)

No items were added to the agenda.

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING

Director Finnegan inquired as to whether there were any items distributed to the Board less than 72 hours prior to the meeting.

General Manager Hunter advised that the proposed Resolution document for Item No. 11-2 (Condition 2 Water Supply Alert) was distributed to the Board and made available to the public.

CONSENT CALENDAR

Director Finnegan stated all matters under the Consent Calendar would be approved by one MOTION unless a Director wished to consider an item separately.

Upon MOTION by Director Tamaribuchi, seconded by Director Hinman, and carried (4-0), the Board approved the Consent Calendar items as follows. Directors Finnegan, Hinman, Tamaribuchi and Thomas voted in favor, with Directors Barbre, Dick and Osborne absent.

MINUTES

The following minutes were approved.

- May 4, 2016 Canceled Workshop Board Meeting
- May 18, 2016 Regular Board Meeting

COMMITTEE MEETING REPORTS

The following Committee Meeting reports were received and filed as presented.

- Planning & Operations Committee Meeting: May 2, 2016
- Administration & Finance Committee Meeting: May 11, 2016
- Public Affairs & Legislation Committee Meeting: May 16, 2016
- Executive Committee Meeting: May 19, 2016

TREASURER'S REPORTS

The following items were ratified and approved as presented.

- MWDOC Revenue/Cash Receipt Register as of May 31, 2016
- MWDOC Disbursement Registers (May/June)

The following items were received and filed as presented.

- MWDOC Summary of Cash and Investment and Portfolio Master Summary Report (Cash and Investment report) as of April 30, 2016
- PARS Monthly Statement (OPEB Trust)

Water Use Efficiency Projects Cash Flow

FINANCIAL REPORT

The following items were received and filed as presented.

Combined Financial Statements and Budget Comparative for the period ending April 30, 2016

AUTHORIZATION FOR STAFF TO ENTER INTO AGREEMENT WITH THE COUNTY OF ORANGE FOR THE UTILIZATION OF ALERT OC

The Board authorized the MWDOC General Manager and/or the WEROC Program Manager to enter into a Memorandum of Understanding (MOU) between the County of Orange and MWDOC for use of AlertOC, a countywide mass notification system.

EOC FACILITY ASSESSMENT VENDOR APPROVAL

The Board authorized a contract with Claris Strategies for the completion of an EOC assessment.

APPROVAL OF FUEL TRAILER VENDOR AND UPDATE ON EQUIPMENT TRANSFER AGREEMENT WITH MEMBER AGENCIES

The Board approved staff to enter into a purchase agreement with TransFueller for the purchase of five (5) 500 Gallon Diesel Fuel Trailers at a cost of \$91,338, with the option to purchase additional trailers (\$18,267.60 each) if grant funds are approved to be reallocated or additional grant funds are identified for this project. Staff will not enter into a purchase agreement beyond approved grant amounts.

TURF REMOVAL REBATE PROGRAM PROCESS EVALUATION

The Board authorized the General Manager to enter into a contract with Mission Resource Conservation District and Water Wise Consulting for field verification of completed Turf Removal projects at a cost not to exceed \$100,000.

RECORDS MANAGEMENT SERVICES

The Board awarded the contract to Gladwell Government Services based on their proposal in response to the District's Request for Quote for Records Management Services and authorized the General Manager to enter into an agreement with Gladwell Government Services based on the tasks outlined in the Request for Quote in an amount not to exceed \$30,350.

2016/17 PAY STRUCTURE ADJUSTMENT

The Board approved a 2.10% Pay Structure Adjustment to the District salary ranges, as presented.

END CONSENT CALENDAR

ACTION CALENDAR

ADOPT RESOLUTION ESTABLISHING THE EMPLOYER PAID MEMBER CONTRIBUTION AMOUNT TO CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM (CALPERS)

Upon MOTION by Director Thomas, seconded by Director Tamaribuchi, and carried (4-0), the Board adopted RESOLUTION NO. 2033 establishing the employer paid member contribution amount of 2% to CalPERS, and submit the Resolution to CalPERS for its records. Said RESOLUTION NO. 2033 was adopted by the following roll call vote:

- AYES: Directors Finnegan, Hinman, Tamaribuchi & Thomas
- NOES: None
- ABSTAIN: None
- ABSENT: Directors Barbre, Dick & Osborne

RESOLUTION DECLARING A “CONDITION 2 – WATER SUPPLY ALERT” CALLING FOR CITIES AND WATER AGENCIES WITHIN THE MWDOC SERVICE AREA TO CONTINUE IMPLEMENTING EXTRAORDINARY WATER CONSERVATION MEASURES

General Manager Hunter advised that as part of MWDOC’s Water Shortage Contingency Plan, the key considerations in moving from a “Condition 3 – Water Supply Allocation” to a “Condition 2 – Water Supply Alert” are the result of improved water supply conditions, the MET Board’s action to not be in water supply allocations, and the need to continue extraordinary water conservation measures. He further advised, that in an effort to continue the significant water savings achieved by Orange County over the past twelve months, and to be cautious for the upcoming water year, this Resolution calls for a countywide water savings goal of approximately 10% from the average annual demands of calendar years 2013 and 2014.

Upon MOTION by Director Tamaribuchi, seconded by Director Thomas, and carried (4-0), the Board adopted RESOLUTION NO. 2034 declaring a “Condition 2 – Water Supply Alert” calling for cities and water agencies within the MWDOC service area to continue implementing extraordinary water conservation measures. Said RESOLUTION NO. 2034 was adopted by the following roll call vote

- AYES: Directors Finnegan, Hinman, Tamaribuchi & Thomas
- NOES: None
- ABSTAIN: None
- ABSENT: Directors Barbre, Dick & Osborne

INFORMATION CALENDAR

GENERAL MANAGER'S REPORT, JUNE 2016

General Manager Hunter advised that the General Manager’s report was included in the Board packet.

Assistant Manager Karl Seckel corrected a typo in the report with respect to the Doheny Desalination Project, advising that South Coast Water District will hold a workshop on the Project on June 22nd, rather than June 13th.

Responding to an inquiry by Director Hinman, Mr. Seckel reported on the groundwater deliveries (Newport Beach to Laguna Beach County Water District), noting that a few coordination issues need to be worked out with MET prior to commencing the deliveries.

With respect to the Orange County Water Procurement and Distribution Planning Update efforts, and in response to a question raised by Director Hinman, WEROC Programs Manager Kelly Hubbard reported she met with the first small group on May 17th, and that nine additional groups have been identified and will be meeting in the near future.

Director Finnegan referenced the Poseidon Desalination project and requested confirmation that the Coastal Commission hearing would be held in September; Mr. Seckel confirmed this.

The Board received and filed the report as presented.

MWDOC GENERAL INFORMATION ITEMS

BOARD OF DIRECTORS

The Board members each reported on their attendance at the regular (and special) MWDOC Board and Committee meetings. In addition to these meetings, the following reports were made on conferences and meetings attended on behalf of the District.

Director Hinman reported that she attended and presented awards to Moulton Niguel Water District, South Coast Water District, and San Clemente regarding their efforts with the state mandated conservation requirements. She also reported on attending the OC Water Summit, the San Juan Basin Authority Meetings (5/26 and 6/14), all MWDOC Board and Committee meetings, the Dana Hills High School Water Expo, the WACO meeting, a meeting with Supervisor Bartlett (along with Director Thomas), the Poster/Slogan Contest event at the Discovery Science Center, and a meeting at South Coast Water District wherein Karl Seckel presented information regarding the OC Reliability Study.

Director Thomas advised that he attended a meeting with representatives from the City of Tustin, the WACO meeting, the Santiago Aqueduct Commission meeting, the MWDOC Administration & Finance and Executive Committee meetings as well as the Board meeting, the Santa Margarita Water District Water Awareness Festival, the OC Water Summit, and a meeting with Supervisor Bartlett. Mr. Thomas advised that he presented awards to Santa Margarita Water District and Irvine Ranch Water District regarding their efforts with the state mandated conservation requirements; he advised he would be presenting an award to Trabuco Canyon Water District later in the day.

Director Tamaribuchi stated that he attended all of the MWDOC Board and Committee meetings, as well as the OC Water Summit, a California Council for Environmental & Economic Balance (CCEEB) meeting in Sacramento with General Manager Hunter, a meeting with Curt Schmutte, the WACO

meeting, and the OCBC luncheon. He advised that he presented awards to Irvine Ranch and El Toro Water Districts regarding their efforts with the state mandated conservation requirements.

Director Finnegan advised that she attended the MWDOC Planning & Operations, Public Affairs & Legislation, and Administration & Finance Committee meetings, the ISDOC Executive Committee, the WACO Planning Committee meeting, and the OC Water Summit. She advised that she presented awards to Mesa Water and Seal Beach regarding their efforts with the state mandated conservation requirements, and she announced that the next ISDOC quarterly luncheon would be held on June 30th.

Legal Counsel Byrne advised that Director Barbre submitted a written report on the meetings he attended, noting that Mr. Barbre attended the MWDOC Executive, Planning & Operations, and Administration & Finance Committees, the Ad Hoc Committee meeting on Water Policy dinners, the MWDOC Workshop Board meeting, the Poster/Slogan contest event at the Discovery Science Center, and the MET meetings (MWDOC MET Director caucus, OC/Inland Empire caucus, MET Board and Committee meetings, and a meeting with Gary Breaux). Mr. Barbre also attended the WACO meeting, the La Habra City Council meeting, the Yorba Linda Water District Board meeting, a meeting with Supervisor Shawn Nelson, and a legislative trip to Washington, DC.

CLOSED SESSION

At 9:05 a.m., Legal Counsel Byrne announced that the Board would adjourn to closed session with Legal Counsel Christine Carson of Aleshire & Wynder, to discuss the following litigation matters:

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9. One Case: *San Diego County Water Authority v. Metropolitan Water District of Southern California; all persons interested in the validity of the rates adopted by the Metropolitan Water District of Southern California on April 13, 2010, et al.*, former Los Angeles Superior Court, Case No. BS 126888, transferred on October 21, 2010, to San Francisco Superior Court, Case No. CPF-10-510830.

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Paragraph (1) of subdivision (d) of Government Code 54956.9. One Case: *San Diego County Water Authority v. Metropolitan Water District of Southern California; all persons interested in the validity of the rates adopted by the Metropolitan Water District of Southern California on April 10, 2012 to be Effective January 1, 2013 and January 1, 2014; and Does 1-10, et al.*, former Los Angeles Superior Court, Case No. BS137830, transferred on August 23, 2012, to San Francisco Superior Court, Case No. CPF-12-512466.

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9. One Case: *San Diego County Water Authority v. Metropolitan Water District of Southern California; all persons interested in the validity of the rates adopted by the Metropolitan Water of Southern California on April 8, 2014, et al.*, former Los Angeles Superior Court, Case No. BC547139, transferred on December 2, 2014, to San Francisco Superior Court, Case No. CPF-14-514004.

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to California Government Code Section 54956.9(d)(1). *San Diego County Water Authority v. Metropolitan Water District of Southern California, Los Angeles Superior Court Case No. BS161729.*

RECONVENE

At 9:50 a.m., Legal Counsel Carson announced that following her disclosure of her prior representation of Las Virgenes Municipal Water District, Western Municipal Water District, Eastern Municipal Water District, West Basin Municipal Water District, and Foothill Municipal Water District on the *San Diego County Water Authority v. Metropolitan Water District of Southern California* litigation matters, and prior representation of Upper San Gabriel Valley Municipal Water District (a Metropolitan Water District of Southern California member agency), upon MOTION by Director Thomas, seconded by Director Tamaribuchi, and carried by a vote of 4-0, the Board approved Christine Carson, of Aleshire & Wynder, to represent the District on the *San Diego County Water Authority v. Metropolitan Water District of Southern California* litigation matters. Directors Finnegan, Hinman, Tamaribuchi and Thomas voted in favor; Directors Barbre, Dick, and Osborne were absent.

ADJOURNMENT

There being no further business to come before the Board, Director Finnegan adjourned the meeting at 9:53 a.m.

Respectfully submitted,

Maribeth Goldsby, Secretary