

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
November 16, 2016**

At 8:30 a.m., President Osborne 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. Administrative Services Manager Cathy Harris led the Pledge of Allegiance and Secretary Goldsby called the roll.

MWDOC DIRECTORS

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

STAFF

Robert Hunter, General Manager
Karl Seckel, Assistant General Manager
Joe Byrne, Legal Counsel
Maribeth Goldsby, Board Secretary
Harvey De La Torre, Associate General Manager
Cathy Harris, Admin. Services Manager

ALSO PRESENT

Larry McKenney
William Kahn
Saundra Jacobs
Charley Wilson
Dan Ferons
Jim Leach
Dennis Erdman
Andy Brunhart
Gary Melton
Marc Marcantonio
Richard Eglash
Kelly Rowe

MWDOC MET Director
El Toro Water District
Santa Margarita Water District
Santa Margarita Water District
Santa Margarita Water District
Santa Margarita Water District
South Coast Water District
South Coast Water District
Yorba Linda Water District
Yorba Linda Water District
Brady & Associates
Water Resources Consultant

EMPLOYEE SERVICE AWARD

President Osborne presented an award to Cathy Harris (Administrative Services Manager) for thirty years of service to the District.

PUBLIC PARTICIPATION/PUBLIC COMMENT

President Osborne 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. Mr. Osborne asked whether there were any comments on other items which would be heard at this time.

Santa Margarita Water District Director Saundra Jacobs noted that she was out of town on the date the District celebrated Susan Hinman's retirement. She thanked and commended Director

Hinman on her years of dedicated service to the District. Ms. Jacobs also congratulated Director Thomas on winning the election in Division 6.

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 received.

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

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

No information was presented.

CONSENT CALENDAR

President Osborne 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 Hinman, seconded by Director Finnegan, and carried (6-0), the Board approved the Consent Calendar items as follows. A roll call vote was taken, and Directors Barbre, Dick, Finnegan, Hinman, Osborne, and Thomas all voted in favor. Director Tamaribuchi was absent.

MINUTES

The following minutes were approved.

- October 5, 2016 Workshop Board Meeting
- October 19, 2016 Regular Board Meeting

COMMITTEE MEETING REPORTS

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

- Planning & Operations Committee Meeting: October 3, 2016
- Administration & Finance Committee Meeting: October 12, 2016
- Public Affairs & Legislation Committee Meeting: October 17, 2016
- Executive Committee Meeting: October 20, 2016
- MWDOC/OCWD Joint Planning Committee Meeting: October 26, 2016

TREASURER'S REPORTS

The following items were ratified and approved as presented.

MWDOC Revenue/Cash Receipt Register as of October 31, 2016
MWDOC Disbursement Registers (October/November)

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 September 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 September 30, 2016
- Quarterly Budget Report
- Audit Report FY 2015/16

END CONSENT CALENDAR

ACTION CALENDAR

ADOPT RESOLUTION AMENDING DISTRICT PENSION PLAN TO ALLOW CONTRIBUTIONS TO GENERAL MANAGER'S 401 ACCOUNT

Upon MOTION by Director Dick, seconded by Director Finnegan, and carried (6-0), the Board adopted RESOLUTION NO. 2038, approving Amendment No. 1 to the Municipal Water District of Orange County Pension Plan, as presented.

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

VENDOR SELECTION FOR PRODUCTION OF CHOICE WHITEBOARD VIDEOS

Upon MOTION by Director Finnegan, seconded by Director Hinman, and carried (6-0), the Board approved Spotlight Video as the CHOICE whiteboard vendor. Directors Barbre, Dick, Finnegan, Hinman, Osborne, and Thomas voted in favor; Director Tamaribuchi was absent.

VENDOR SELECTION FOR PRODUCTION OF CHOICE OC WATER MAGAZINE

Upon MOTION by Director Dick, seconded by Director Finnegan, and carried (5-1), the Board approved the *OC Register* as the vendor for *OC Water Magazine* CHOICE program. Directors, Dick, Finnegan, Hinman, Osborne, and Thomas voted in favor; Director Barbre voted against, and Director Tamaribuchi was absent.

APPROVE RECOMMENDATIONS IN THE EMERGENCY OPERATIONS CENTER (EOC) ASSESSMENT STUDY AND STAFF ACTIONS

Upon MOTION by Director Hinman, seconded by Director Finnegan, and carried (6-0), the Board accepted the recommendations of the WEROC EOC Assessment Report submitted by Claris Strategies and authorized staff to move forward as follows: (1) Reduce primary WEROC EOC's from two to one in accordance with the study; and (2) Complete the following work at the South EOC: life safety recommendations, electrical study, and seismic assessment. Staff will utilize the FY2016/2017 budget and WEROC reserves for this work and will bring any items requiring board approval back for authorization. Directors Barbre, Dick, Finnegan, Hinman, Osborne, and Thomas voted in favor; Director Tamaribuchi was absent.

EXECUTION AND IMPLEMENTATION OF WATER USE EFFICIENCY GRANT AGREEMENTS

Upon MOTION by Director Dick, seconded by Director Finnegan, and carried (6-0), the Board authorized the General Manager to sign grant agreements and for staff to implement: (1) the US Bureau of Reclamation Agreement for implementation of the Comprehensive Landscape Water Use Efficiency Program - Phase II, and (2) the South Orange County Integrated Regional Water Management Implementation Grant for Strategic Turfgrass Removal and Design Assistance Program. Directors Barbre, Dick, Finnegan, Hinman, Osborne, and Thomas voted in favor; Director Tamaribuchi was absent.

LRP AGREEMENT BETWEEN METROPOLITAN, MWDOC, AND EL TORO WATER DISTRICT FOR THE EL TORO RECYCLED WATER SYSTEM EXPANSION PHASE II PROJECT

Upon MOTION by Director Dick, seconded by Director Thomas, and carried (6-0), the Board authorized the General Manager to execute the final Local Resources Program agreement with Metropolitan Water District of Southern California and El Toro Water District substantially in the form presented for the El Toro Recycled Water System Expansion Phase II Project, subject to review and approval by Legal Counsel of any agreement changes. Directors Barbre, Dick, Finnegan, Hinman, Osborne, and Thomas voted in favor; Director Tamaribuchi was absent.

LRP AGREEMENT BETWEEN METROPOLITAN, MWDOC, AND SANTA MARGARITA WATER DISTRICT FOR THE LAKE MISSION VIEJO ADVANCED PURIFICATION WATER TREATMENT FACILITIES PROJECT

Upon MOTION by Director Thomas, seconded by Director Finnegan, and carried (6-0), the Board authorized the General Manager to execute the final Local Resources Program agreement with Metropolitan Water District of Southern California and Santa Margarita Water District substantially

in the form presented, for the Lake Mission Viejo Advanced Purification Water Treatment Facilities Project, subject to review and approval by Legal Counsel of any final agreement changes. Directors Barbre, Dick, Finnegan, Hinman, Osborne, and Thomas voted in favor; Director Tamaribuchi was absent.

INFORMATION CALENDAR

GENERAL MANAGER'S REPORT, NOVEMBER 2016

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

Director Barbre commented on the General Manager's and Director Tamaribuchi's activities with respect to CCEEB and various meetings with environmental groups; he asked that a report on these activities be provided to the Board.

General Manager Hunter reported that the Elected Officials Forum would be held on January 5th, and that the next Water Policy Forum dinner (featuring Mark Cowin) would be held January 26th.

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 Thomas reported on attending the Board meeting, Planning & Operations, Public Affairs & Legislation, Administration & Finance, and Executive Committee meetings, as well as the State of the Schools event in Tustin, the WACO meeting, the Lake Mission Viejo opening, the MET meetings, the Southern California Marketing Association Infrastructure meeting, the MWDOC/OCWD Joint Planning Committee meeting, the Southern California Water Committee meeting, and OC Water Summit planning meeting(s). Mr. Thomas acknowledged the public service provided by Gary Melton (YLWD) (as a result of the recent election loss), and thanked Susan Hinman for her service on the MWDOC Board.

Director Hinman advised that she attended all of the MWDOC Board and Committee meetings, as well as the Moulton Niguel Water District Board meeting, a State Water Project inspection trip, the MWDOC/OCWD Joint Planning Committee meeting, and the South County Watershed Management Executive Committee meeting. She thanked staff for all of their assistance to her over the years.

Director Barbre reported that he attended the following meetings in his capacity of MET Director: MET Director luncheon, MET Committees (1st Monday and 4th Tuesday), Southern California Water Committee annual dinner, the WACO meeting, a meeting with Senator Moorlach regarding Delta issues, a meeting with Jeff Kightlinger and OCWD Board members regarding the Local

Resources Program and desalination issues, as well as a meeting with Debra Man, Gordon Johnson, and Larry Verne regarding MET bidding issues. He also reported on attending the following meetings in his capacity of MWDOC Director: the MWDOC Board and Board Workshop meetings, Executive, Administration & Finance, and Planning & Operations Committee meetings, as well as the YLWD Citizen's Advisory Committee meeting, the MWDOC/OCWD Joint Planning Committee meeting, the YLWD Board meeting, the SMWD Board meeting, and a tour of the Great Wolf Lodge. Mr. Barbre commented on the recent election and his disappointment with the recall vote and its effect on YLWD; he commended Gary Melton for his service to the YLWD Board.

Director Finnegan stated that she attended MWDOC's two Board meetings, the Planning & Operations, Public Affairs & Legislation, Administration & Finance, and Executive Committee meetings, the ISDOC Executive Committee meeting, and the Mesa Water board meeting.

Director Dick reported that he attended the following meetings: The Executive, Administration & Finance, Planning & Operations, and Public Affairs & Legislation Committee meetings, the MWDOC Board and Board Workshop meetings, the MWDOC/OCWD Joint Planning Committee meeting, the Southern California Water Committee meeting, the South Orange County Economic Coalition meeting, the ISDOC Executive Committee meeting, the MWDOC MET Directors meeting, the MET Caucus, the MET Committee and Board meetings, the WACO Planning meeting, and the Urban Water Institute meetings. He commented on the positive effect of MET's contracting with Disabled American Veterans.

Legal Counsel Byrne announced that Director Tamaribuchi submitted a written report on meetings he attended and that these meetings included the Workshop Board meeting (11/2), the Administration & Finance (11/8), Planning & Operations (11/14), and Executive Committee (10/20) meetings, a meeting with MWDOC and MET staff regarding the California WaterFix (10/21), the Southern California Water Committee annual dinner (10/27), the CCEEB meeting (11/3), and the Baker Treatment Plant dedication.

President Osborne advised that he attended the Workshop and Regular Board meetings, the Planning & Operations, Administration & Finance, Public Affairs & Legislation, and Executive Committee meetings, the MWDOC/OCWD Joint Planning Committee meeting, the OC Water Summit Ad Hoc Committee meeting (10/31), and the WACO meeting (11/4).

ADJOURNMENT

There being no further business to come before the Board, President Osborne adjourned the meeting at 9:06 a.m.

Respectfully submitted,

Maribeth Goldsby, Secretary