

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
August 20, 2008

At 8:30 a.m. President Clark 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 Dick led the Pledge of Allegiance and Secretary Goldsby called the roll.

MWDOC DIRECTORS

Ergun "Eric" Bakall
Brett R. Barbre
Wayne A. Clark
Larry Dick
Joan C. Finnegan
Susan Hinman
Ed Royce, Sr.

STAFF

Kevin Hunt, General Manager
Karl Seckel, Assistant Gen. Mgr.
Dan Payne, Legal Counsel
Maribeth Goldsby, Board Secretary
Matt Stone, Associate General Manager
David Cordero, Dir. of Governmental Affairs
Joe Berg, Water Use Efficiency Prog. Mgr.
Harvey De La Torre, Principal Analyst
Carrie Noyes, Public Affairs Intern
Kelly Hubbard, WEROC Programs Manager

ALSO PRESENT

Lee Pearl
Dick Dietmeier
Diana Leach
Frank Heldman
Mike Whipple
John O'Donnell

Mesa Consolidated Water District
South Coast Water District
Golden State Water Company
Golden State Water Company
City of Laguna Niguel
City of San Juan Capistrano

PUBLIC PARTICIPATION/PUBLIC COMMENT

President Clark 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. President Clark 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.

EMPLOYEE SERVICE AWARDS

President Clark presented awards to Carrie Noyes (for her efforts with the summer Water Camp), and Karl Seckel and Joe Berg (for their efforts with the response to the Grand Jury) for going above and beyond with their services to the District.

General Manager Hunt then introduced the two newest members of the MWDOC staff to the Board, namely, Tiffany Baca (the temporary Public Affairs Department Administrative Assistant) and Lina Gunawan (Accountant).

CONSENT CALENDAR

President Clark 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 Bakall, seconded by Directors Finnegan and Royce, and carried (7-0), the Board approved the Consent Calendar items as follows:

MINUTES

The following minutes were approved as presented.

June 18, 2008 Regular Board Meeting
July 2, 2008 Workshop Board Meeting

COMMITTEE MEETING REPORTS

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

Planning & Operations Committee Meeting: June 2, 2008
Administration & Finance Committee Meeting: July 9, 2008
Public Affairs & Legislation Committee Meeting: June 16, 2008
Executive Committee Meeting: July 17, 2008
MWDOC/OCWD Joint Planning Committee: June 25, 2008

TREASURER'S REPORTS

The following items were ratified as presented.

MWDOC Revenue/Cash Receipt Register as of July 31, 2008
MWDOC Disbursement Register as of July 31, 2008

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 June 30, 2008

Water Use Efficiency Projects Cash Flow

FINANCIAL REPORT

The following items were received and filed as presented.

Financial Statement and Budget Comparative Report for the Period Ending June 30, 2008

DISTRICT CONFERENCES

The Board authorized attendance by Directors and such members of District staff as approved by the General Manager, at the following conferences:

- a. International Conference on Water Scarcity, Global Changes, and Groundwater Management Responses, December 1-5, 2008, Irvine
- b. Bond Buyer Conference, September 15-17, 2008, San Francisco, CA
- c. National Water Resources Association Annual Conference, November 19-21, 2008, San Diego, CA
- d. California Special Districts Association Annual Conference, September 22-25, 2008, Irvine

END CONSENT CALENDAR

ACTION CALENDAR

ATTENDANCE AT THE URBAN WATER RESEARCH CENTER ANNUAL BANQUET, SEPTEMBER 12, 2008

General Manager Hunt advised that the Administration & Finance Committee reviewed this item, however, were unaware of the cost for a table of six (\$2,000). He advised that Committee Chairman, Brett Barbre, asked that this item be discussed further by the Board.

Mr. Hunt noted that the staff recommendation would be to authorize attendance only in the event a complimentary table is donated to the District.

To spur discussion, Director Dick made a MOTION, which was seconded by Director Barbre to approve attendance.

Director Dick commented that although he was not in favor of authorizing attendance at this event (due to the high cost), the Urban Water Research Center is a worthwhile organization supporting water issue; he suggested the District reconsider its membership. Director Royce concurred.

Following discussion, and by a vote of 0-7, the MOTION FAILED; attendance was not approved.

**CLIMATE CHANGE ADAPTATION POLICY WORKSHOP
September 24-26, 2008
Hilton, Irvine**

General Manager Hunt advised that this item was not reviewed by the Administration & Finance Committee.

Upon MOTION by Director Barbre, seconded by Director Royce, and carried (7-0), the Board authorized attendance by Directors and such members of District staff as approved by the General Manager at the Climate Change Adaptation Policy Workshop to be held September 24-26, 2008 in Irvine.

PRINTING OF SCHOOL PROGRAM "RICKI" BOOKLETS

Director of Public Affairs Darcy Burke presented the proposal to print the School Program "Ricki" Booklets at a cost not to exceed \$19,500.

Director Barbre requested that in the future, staff include in the write-ups, a list of the quotes received for printing services; staff concurred.

Upon MOTION by Director Hinman, seconded by Director Royce, and carried (7-0), the Board approved the printing of the Ricki booklets at a cost not to exceed \$19,500, and directed staff to move forward on securing printing services.

PRINTING OF SCHOOL PROGRAM CALENDARS (2008-09)

General Manager Hunt advised that the proposal for printing the School Program Calendars for 2008/09 was before the Board for consideration.

The Board discussed the reasons surrounding why the job was split between printing and graphics and the staff recommendation to retain different vendors for each aspect. Director Dick questioned why the lowest bidder (Tim Hogan) was not selected for the graphics, with staff advising that the format would be changing and would be better served with Main Graphics. Director Dick expressed concern with Main's high quote.

Following discussion, and upon MOTION by Director Bakall, seconded by Director Finnegan, and carried (6-1), the Board (1) approved the quote to print the 2008-09 School Calendar for \$11,445 with Faust Printing; and (2) approved the quote to provide graphic design and layout services for the 2008-09 School Calendar with Main Graphics for \$7,000. Director Dick voted no.

REVISION TO WEROC EMERGENCY RESPONSE PLAN

President Clark stated that the revised WEROC Emergency Response Plan (Plan) was before the Board for consideration. It was noted that the Planning & Operations Committee reviewed the Plan and recommended it for approval by the Board.

Director Hinman thanked Kelly Hubbard (WEROC Programs Manager) for her efforts in completing the Plan, however, encouraged Ms. Hubbard to continue to review the Plan and define acronyms used in the Plan for easier reading.

Following discussion and upon MOTION by Director Hinman, seconded by Director Finnegan, and carried (7-0), the Board approved the revisions to the WEROC Emergency Response Plan as presented.

AB 2175 (LAIRD/FEUER) – WATER CONSERVATION

Director of Governmental Affairs David Cordero advised that the end of the legislative session is approaching and time is running out for further amendments. Staff believes that based on the amendments now being proposed (which were outlined in the write-up) and the continued progress that is being made, it is recommended the Board change its position from “oppose unless amended” to “support if amended.”

Director Dick expressed concern with the legislation, emphasizing that it targets the urban water users, leaving the agricultural interests unaffected. He suggested that a better approach would be to push the State to incorporate conservation message points into the State’s education standards, and to create an equitable balance between the requirements placed on agricultural and urban water users.

Director Barbre concurred, noting that a change in position would not be taken seriously at this point; he suggested the Board’s position remain as “oppose unless amended.”

Director Royce commented that although he concurred with many points Director Dick raised, the current water supply situation is dire and the need for additional conservation is urgent; he suggested the water community relay this message as soon as possible.

Director Bakall commented that the Board has addressed this legislation on many occasions, and that many of the Board’s concerns have been incorporated into the legislation. He suggested it would be prudent to “support if amended.”

Following discussion, and upon MOTION by Director Bakall, seconded by Director Finnegan, and carried (5-2), the Board adopted a “support if amended” position on AB 2175 (Laird/Feuer re: Water Conservation). Directors Dick and Barbre voted no.

INFORMATION CALENDAR

GENERAL MANAGER'S REPORT, AUGUST 2008

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

Mr. Hunt provided brief updates on the OCWD/MET negotiations through MET’s Local Resources Program revisions; MET’s shortage allocation guidelines; and a water use efficiency grant awarded recently whereby MWDOC will receive \$300,000.

Director Hinman highlighted the groundwater storage programs outlined in the Report and requested that staff provide an overview of these programs at an upcoming meeting. Director Dick suggested the report be in writing, with an opportunity for questions.

The Board received and filed the report as presented.

MWDOC GENERAL INFORMATION ITEMS

BOARD OF DIRECTORS

In addition to the regular MWDOC Board and Committee meetings attended by the Directors, the following reports were made on conferences and meetings attended on behalf of the District.

Director Barbre reported that he attended the regular MWDOC meetings, as well as various meetings with representatives from agencies within his division.

Director Dick reported on attending the Urban Water Institute conference, a meeting with Dave Noyes (Serrano Water District) and Kevin Hunt regarding Irvine Lake storage, a meeting with Satoru Tamaribuchi (The Irvine Company), a meeting with Mr. Dan Walters, and a meeting with Mr. Dozier of the Central Arizona Project, noting interest in having Mr. Dozier speak at an upcoming Water Policy Forum dinner. Mr. Dick also met with MET staff regarding a Lower Colorado River inspection trip; he noted that he hoped to host a trip for Assemblyman Silva in early 2009.

Director Royce reported on attending MWDOC's Water Policy Forum dinner, a meeting with Lou Correa, the Urban Water Institute conference of which he highlighted the Climate Change workshop and the tiered rate meeting.

Director Finnegan reported on attending the OCEMA quarterly meeting, the Orange County LAFCO strategic planning meeting, the Center for Demographic Research meeting, the ACWA Region 10 meeting, and the Huntington Beach City Council meeting.

Director Bakall reported on his activities as a MET Director, noting that MET formed a Delta Vision/Governance Subcommittee. He reported that MET would be holding a special board meeting regarding the Governor's water bond proposal and was in the process of organizing the Integrated Resources Plan Steering Committee meetings. He concluded his report stating that the MET Board did not vote in favor of a salary increase for its General Manager.

Director Hinman reported on her attendance at the ACWA Region 10 meeting, and the Dana Point City Council meeting.

Director Clark noted that a written report regarding his participation at the NWRA conference was included in the board packet. He highlighted the fact that NWRA has very little participation from MET and ACWA and encouraged increased attendance by the local water community.

ADJOURNMENT

There being no further business to come before the Board, President Clark adjourned the meeting at 10:00 a.m.

APPROVED

Wayne A. Clark, President

Maribeth Goldsby, Secretary