

MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
February 18, 2009

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 (absent)  
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  
Phil Letrong, Finance Manager  
Kelly Hubbard, WEROC Programs Coord.  
David Cordero, Dir. of Governmental Affairs  
Harvey De La Torre, Principal Analyst  
Darcy Burke, Dir. of Public Affairs  
Warren Greco, Intern/Limited Term  
Beth Fahl, Water Use Eff. Program Coord.  
Cathy Harris, Admin. Services Mgr.

**ALSO PRESENT**

Dick Dietmeier  
Mike Dunbar  
Diana Leach  
Ray Miller  
Heather Dion  
Bill Whittenberg  
Jack Foley  
Frank Heldman  
Lisa Ohlund  
Josie Anderson  
Raul Luna

South Coast Water District  
South Coast Water District  
Golden State Water Company  
City of San Juan Capistrano  
Townsend Public Affairs  
Dudek  
MET Director  
Golden State Water Company  
East Orange County Water District

**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. Mr. 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.)

Although no items were added to the agenda, Mr. Hunt noted that a revised agenda was posted (in compliance with the Ralph M. Brown Act) that included an additional closed session.

**PRESENTATION OF PLAQUE HONORING THE LATE STEVE ANDERSON**

President Clark presented a plaque honoring the late Steve Anderson (MWDOC's MET Director) to his widow, Mrs. Josie Anderson.

Director Dick then presented a plaque to Mrs. Anderson from Metropolitan Water District thanking him for his tireless service to the water industry.

Both Mrs. Anderson and her brother, Raul Luna, thanked the Board.

**EMPLOYEE SERVICE AWARDS**

President Clark presented service awards to Warren Greco for one year of service, Carry Noyes (who was absent) for one year of service, Beth Fahl for five years of service, and to Maribeth Goldsby for fifteen years of service to the District.

General Manager Hunt presented service awards to Director Royce for ten years of service, Director Finnegan for twenty-three years of service, and to President Clark for thirty years of service to the District.

**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.

Director Bakall requested that item 5(b) (Water Education Foundation Tour of the Lower Colorado River be pulled from the Consent Calendar for further discussion.

Upon MOTION by Director Bakall, seconded by Director Dick, and carried (6-0), the Board approved the balance of the Consent Calendar items as follows:

**MINUTES**

The following minutes were approved as presented.  
January 7, 2009 Workshop Board Meeting  
January 21, 2009 Regular Board Meeting

**COMMITTEE MEETING REPORTS**

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

Planning & Operations Committee Meeting: January 5, 2009  
Administration & Finance Committee Meeting: January 14, 2009  
Special Executive Committee Meeting: January 19, 2009  
Executive Committee Meeting: January 22, 2009  
MWDOC/OCWD Joint Planning Committee: January 28, 2009

**TREASURER'S REPORTS**

The following items were ratified as presented.

MWDOC Revenue/Cash Receipt Register as of January 31, 2009  
MWDOC Disbursement Register as of January 31, 2009

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 December 31, 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 December 31, 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. Water Education Foundation Executive Briefing, March 12-13, 2009, Sacramento

**END CONSENT CALENDAR**

**ITEMS PULLED FROM THE CONSENT CALENDAR****ATTENDANCE AT WATER EDUCATION FOUNDATION LOWER COLORADO RIVER TOUR, MARCH 4-6, 2009**

Director Bakall highlighted the cost of the Water Education Foundation's tour of the Lower Colorado River. He advised that MET would be hosting an inspection trip to the Colorado River in April and he suggested that any Board or staff member interested in attending should attend MET's trip. Upon MOTION by Director Bakall, seconded by Director Finnegan, and carried (6-0), the Board tabled discussion/authorization of the attendance at the Water Education Foundation Lower Colorado River Tour.

**ACTION CALENDAR****STANDING AND AD HOC COMMITTEE APPOINTMENTS FOR 2009;  
SCHEDULE OF MEETING DATES FOR 2009**

President Clark advised that the proposed Standing and Ad Hoc Committee appointments and meeting dates for 2009 were before the Board for consideration.

Director Bakall requested that the meeting time for the Planning & Operations Committee remain at 3:30 pm on the first Monday of each month (rather than at 8:30 am as proposed in the write-up).

Upon MOTION by Director Bakall, seconded by Director Hinman, and carried (6-0), the Board (1) ratified the list of Standing Committee and Ad Hoc Committee appointments as presented by the President of the Board; and (2) ratified the 2009 meeting dates (with the Planning & Operations Committee meeting remaining at 3:30 pm).

**ASSOCIATION AND COMMISSION APPOINTMENTS FOR 2009**

President Clark stated that the proposed Association and Commission appointments for 2009 were before the Board for consideration.

Upon MOTION by Director Hinman, seconded by Director Bakall, and carried (6-0), the Board ratified the appointment of representatives and alternates to Associations, as presented by the President of the Board.

Upon MOTION by Director Finnegan, seconded by Director Hinman, and carried (6-0), the Board adopted RESOLUTION NO. 1844, approving the appointment of Ergun Bakall as Representative, and Karl Seckel as Alternate to the Santiago Aqueduct Commission, by the following roll call vote:

AYES:	Director Bakall, Clark, Dick, Finnegan, Hinman & Royce
NOES	None
ABSENT:	Director Barbre
ABSTAIN:	None

**SELECTION OF DEFERRED COMPENSATION PROVIDER (457 PLAN)**

Upon MOTION by Director Dick, seconded by Director Bakall, and carried (6-0), the Board (1) selected The Hartford as the District's new Deferred Compensation (Section 457) provider, with The Hartford paying the \$18,000 surrender charges due to Lincoln National; (2) authorized the General Manager to execute the contract and required documents to proceed with transition to Hartford and to include a loan provision for employees; (3) authorized notifying Lincoln National of the District's intent to terminate and transfer all balances to The Hartford; and (4) ratified eligibility of all full-time, part-time, MWDOC Directors and MET Directors participation in the plan on a voluntary basis, with only participant contributions being deposited to the accounts. Employer contributions are not made to the Deferred Compensation Plan.

**RENEWAL OF CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) MEMBERSHIP DUES**

President Clark advised that the proposed membership renewal to CSDA was before the Board for consideration, noting that the Administration & Finance Committee reviewed this item and did not make a recommendation, but rather referred it to the Board for further discussion.

The Board members suggested either CSDA's Executive Director, or President, attend a Committee and/or Board meeting to answer the Board's questions. Upon MOTION by Director Dick, seconded by Director Royce, and carried (6-0), the Board referred this item back to the Administration & Finance Committee and requested staff arrange a presentation by either CSDA's Executive Director or President.

**CONTRACT WITH DIGITAL MAP PRODUCTS FOR ESTIMATING IRRIGABLE AREAS FOR PARCELS IN ORANGE COUNTY**

Director Bakall advised that the Planning & Operations Committee reviewed this item and recommended it for approval by the Board.

Upon MOTION by Director Bakall, seconded by Director Royce, and carried (6-0), the Board authorized the General Manager to enter into a contract with Digital Map Products to provide estimates of the irrigable area for all parcels in Orange County at an estimated cost from Digital Map Products not to exceed \$65,000, to be funded from the agencies who are participating in the Budget Based Tiered Water Rates Study.

**RESOLUTION ADOPTING MWDOC SUPPLY ALLOCATION PLAN (PUBLIC HEARING AND ADOPTION)**

Director Bakall expressed concern with the need for possible implementation of water allocations, noting that this is not attributable to any lack of planning on the water industry, but rather a lack of understanding of water issues by Congress. He noted that MET is projecting a 75% chance for implementing the allocation plan (effective July 1,

2009) and he expressed concern with a melded approach to MWDOC's penalty structure, highlighting the need to consider amendments in the event this issue proves problematic.

President Clark opened the public hearing on the issue and encouraged public comments.

Mr. Dick Deitmeier (South Coast Water District) agreed with Director Bakall and expressed concern with the legal side, noting he did not believe the appeals process on the judge's decision on the Delta pumping has been exhausted. He stated that there has been open discussion at ACWA regarding other influences on the fish as well as open discussions of how different the regime is on the Colorado River. He expressed dissatisfaction with the Delta pumping restrictions (and potential future restrictions), but stated his agency will ultimately support the action and implement the necessary actions as recommended. He highlighted the number of residents in Southern California dependent on the Delta's water supply and encouraged caution with further pumping restrictions.

Ms. Diana Leach (Golden State Water Company) noted that aside from the judicial, legislative, and political issues, she has worked for Golden State in various areas (several counties in fact), and she commended the MWDOC Board and staff for taking an extraordinarily difficult circumstance and working very collaboratively with the agencies. She stated that although there is tremendous diversity among the agencies (some with groundwater and many without) the penalty issues and the many issues of adjustments that MET left open for the member agencies to deal with were handled with extreme care. The MWDOC staff met with the agencies many times, both at individual locations as well as together. She advised that plan is as good as it can be under the current circumstances. She thanked the MWDOC staff for their efforts.

President Clark closed the public hearing.

Upon MOTION by Director Bakall, seconded by Director Finnegan, and carried (6-0), the Board adopted RESOLUTION NO. 1845, adopting MWDOC's Water Supply Allocation Plan, by the following roll call vote:

AYES:	Director Bakall, Clark, Dick, Finnegan, Hinman & Royce
NOES	None
ABSENT:	Director Barbre
ABSTAIN:	None

## **INFORMATION CALENDAR**

### **GENERAL MANAGER'S REPORT, FEBRUARY 2009**

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

Responding to an inquiry by Director Hinman regarding the Baker Treatment Plant project, Mr. Hunt advised that the environmental work has not yet been completed, but that the MET Board will consider "conceptual" approval. Discussion ensued regarding the Baker Treatment Plant and its status with MET approval; Director Bakall requested this issue be agendized at the next Planning & Operations Committee meeting.

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 Dick reported that he made a presentation on water issues to a local Kiwanis Club; he highlighted the importance of notifying local communities that the District would be happy to make similar presentations on water issues. He also reported on attending the Orange County Taxpayers Association meeting, as well as the WACO and the WACO Planning Committee meetings (noting that Senator Harmon and Assemblyman Duvall are slotted to speak at the March meeting). He also attended many meetings with staff and client agencies regarding the model ordinances. Mr. Dick commented on the Golden State Water Company open house, noting he would have attended had he received an invitation.

Director Royce stated that he attended the ISDOC luncheon, the Orange County Business Council Infrastructure Committee meeting, the League of Cities meeting, the ACWA Region 10 meeting, and the WACO Planning Committee meeting. Mr. Royce highlighted a recent article he was interviewed for by the *Orange County News*, noting that he was asked to be the newspaper's water expert and regularly report on water issues. He then announced that Congressman Royce would be hosting an open house on February 28, 2009 in Orange, California.

Director Finnegan reported on attending the Mesa Consolidated Water District Board Meeting, the Huntington Beach City Council meeting, and the LAFCO meeting wherein Susan Wilson was elected President and Peter Herzog was elected Vice President. She noted that Cheryl Brothers (City of Fountain Valley) is on the slate for appointment to CAL LAFCO. Ms. Finnegan reported she would be attending the ACWA DC conference, and that ACWA/JPIA issued a \$40,000 refund check to MWDOC.

Director Bakall commended staff for their efforts in developing the Water Supply Allocation Plan, noting its development was challenging and time consuming and that staff was diligent with their efforts to develop a fair and balanced plan. He then reported that MET would hold a budget workshop on February 24, 2009 (and he encouraged all client agencies to attend).

Director Hinman attended the South Coast Water District Board meeting, the Chamber of Commerce installation, the Moulton Niguel Water District Community Relations Board meeting (wherein Kevin Hunt gave a presentation), and the San Juan Capistrano Utilities Commission meeting. Ms. Hinman also attended the ACWA Region 10 meeting, and the Operational Area Executive Board meeting. She distributed a copy of a flyer she received at the ACWA Region 10 meeting regarding participation in the ACWA and National Geographic "Water for Tomorrow" magazine partnership and requested this be placed on an upcoming MWDOC Committee agenda for consideration.

Mr. Clark did not report any meeting attendance.

### **CLOSED SESSIONS**

At 9:43 a.m., Legal Counsel Payne announced that pursuant to Government Code Section 54956.9(b) the Board would adjourn to closed session for a conference with legal counsel regarding anticipated litigation (one case).

Mr. Payne reported that the Board would also meet in closed session pursuant to Government Code Section 54957, to discuss the performance evaluation of the General Manager.

### **RECONVENE**

The Board reconvened in open session at 10:50 a.m., and President Clark announced that no reportable action was taken in closed session.

### **ADJOURNMENT**

There being no further business to come before the Board, President Clark adjourned the meeting at 10:52 a.m.

### **APPROVED**

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Wayne A. Clark, President

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Maribeth Goldsby, Secretary