

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
January 20, 2010

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 Barbre led the Pledge of Allegiance and Secretary Goldsby called the roll.

MWDOC DIRECTORS

Brett R. Barbre
Wayne A. Clark
Larry Dick
Joan C. Finnegan
Susan Hinman
Ed Royce, Sr.
Jeffery M. Thomas

STAFF

Kevin Hunt, General Manager
Karl Seckel, Assistant Gen. Mgr. (absent)
Dan Payne, Legal Counsel
Maribeth Goldsby, Board Secretary
Phil Letrong, Finance Manager
Joe Berg, Water Use Efficiency Prog. Mgr.
David Cordero, Dir. of Governmental Affairs
Harvey De La Torre, Principal Analyst
Darcy Burke, Dir. of Public Affairs
Warren Greco, Water Resource Analyst
Richard Bell, Principal Engineer
Kelly Hubbard, WEROC Programs Manager

ALSO PRESENT

Bob Moore
Dick Dietmeier
Mike Dunbar
Richard Gardner
Trudy Ohlig-Hall
Paul Shoenberger
Ray Miller
Steve LaMar
Doug Reinhart
Paul Jones
Robert Hanford
Diana Leach
Michael Wolfe
Jack Foley
Lanaya Voelz
Gerry Filteau

South Coast Water District
South Coast Water District
South Coast Water District
South Coast Water District
Mesa Consolidated Water District
Mesa Consolidated Water District
City of San Juan Capistrano
Irvine Ranch Water District
Irvine Ranch Water District
Irvine Ranch Water District
Golden State Water Company
Consultant to Golden State Water Company
City of Orange
MWDOC MET Director
CDM
SPI

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 made.

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.)

General Manager Hunt advised that the Public Affairs & Legislation Committee (PAL) discussed a piece of legislation (AB 1594) and suggested that the Board adopt a formal position on the legislation. He advised that this item arose subsequent to the posting of the agenda.

Upon MOTION by Director Finnegan, seconded by Director Thomas, and carried (7-0), the Board determined that this item arose subsequent to the posting of the agenda, and required immediate action, and approved adding it to the agenda (for action). It was noted that it would be taken as the second item on the Action Calendar.

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

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

No information was presented.

EMPLOYEE SERVICE AWARDS

President Clark presented an award to Harvey De La Torre for going "above and beyond" with his 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.

Upon MOTION by Director Thomas, seconded by Director Finnegan, and carried (7-0), the Board approved the Consent Calendar items (as amended above) as follows:

MINUTES

The following minutes were approved as presented.

December 2, 2009 Workshop Board Meeting
December 16, 2009 Regular Board Meeting
December 23, 2009 Special Board Meeting

COMMITTEE MEETING REPORTS

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

Combined Planning & Operations Committee/
Public Affairs & Legislation Committee Meeting: December 14, 2009
Administration & Finance Committee Meeting: December 9, 2009
Executive Committee Meeting: December 17, 2009
MWDOC/OCWD Joint Planning Committee Meeting: November 25, 2009

TREASURER'S REPORTS

The following items were ratified as presented.

MWDOC Revenue/Cash Receipt Register as of December 31, 2009
MWDOC Disbursement Register as of December 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 November 30, 2009

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 November 30, 2009

DISTRICT CONFERENCES/MEETINGS/SEMINARS

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

- Investing in our Water Future: A Focus on California Seminar, March 11-12, 2010, Santa Barbara, CA

- Rain Bird Corporate Water Smart Advisory Council Meeting, February 17-19, 2010, Tucson, AZ
- Water Conservation Kickoff Workshop, February 23-24, 2010, Henderson, NV

END CONSENT CALENDAR

ACTION CALENDAR

CHANGE IN MEETING TIME FOR WORKSHOP BOARD MEETING

Upon MOTION by Director Royce, seconded by Director Thomas, and carried (7-0), the Board adopted RESOLUTION NO. 1867, establishing the meeting times of the monthly Workshop Board meetings with the MET Directors at 8: 30 a.m. on the first Wednesday of each month, by the following roll call vote:

AYES: Directors Barbre, Clark, Dick, Finnegan, Hinman, Royce & Thomas
 NOES: None
 ABSENT: None
 ABSTAIN: None

The Board also directed staff to send notice to all appropriate parties as required by the *Ralph M. Brown Act*, Government Code Section 54954.1, and revise the District's Administrative Code accordingly.

ESTABLISH LEGISLATIVE POSITION (AB 1594/Huber)

President Clark advised that the Public Affairs & Legislation Committee reviewed this item and recommended the Board adopt an Oppose position on AB 1594 (Huber regarding Peripheral Canal).

Upon MOTION by Director Thomas, seconded by Director Finnegan, and carried (7-0), the Board adopted an "Oppose" position on AB 1594 (Huber), as introduced.

APPROVAL OF RESOLUTION DESIGNATING AUTHORIZED AGENT AND GRANT TRANSFER AGREEMENT WITH THE COUNTY OF ORANGE FOR HOMELAND SECURITY GRANT FUNDS

Upon MOTION by Director Dick, seconded by Directors Thomas and Hinman, and carried (7-0), the Board adopted RESOLUTION NO. 1868, Authorization for Federal Financial Assistance provided by the Federal Department of Homeland Security, by the following roll call vote:

AYES: Directors Barbre, Clark, Dick, Finnegan, Hinman, Royce & Thomas
 NOES: None
 ABSENT: None
 ABSTAIN: None

WEROC PLEASANTS PEAK REPEATER REPLACEMENT

Upon MOTION by Director Thomas, seconded by Director Finnegan, and carried (7-0), the Board approved the purchase and installation of a new low-band radio repeater and equipment for the WEROC Pleasants Peak radio site from Pinnacle Radio, Inc., at an approximate cost of \$27,500.

SELECTION OF CONSULTING TEAM FOR THE SOUTH ORANGE COASTAL OCEAN DESALINATION PROJECT PILOT PLANT OPERATIONS, TESTING, AND EVALUATION CONTRACT

General Manager Hunt advised that MWDOC issued a Request for Proposals for the South Orange Coastal Ocean Desalination Project Phase 3 Extended Pumping and Pilot Plant Test Operations Testing and Evaluation (OTE) contract. As a result it is recommended that MWDOC and the Project Participant's Committee authorize hiring Separation Processes, Inc. to complete the contract at an amount not to exceed \$1,052,063.

Colonel Dietmeier (South Coast Water District) advised that the Project Participants Committee concurred with the recommendation.

Upon MOTION by Director Thomas, seconded by Director Royce, and carried (7-0), the Board authorized the General Manager to negotiate and enter into a contract with Separation Processes, Inc. for the South Orange Coastal Desalination Pilot Plant Operations, Testing, and Evaluation contract at an amount not to exceed \$1,052,063. If, for whatever reason, agreement cannot be fully reached with Separation Processes, negotiations are recommended to begin with Malcolm Pirnie, the next highest ranked Team.

AUTHORIZATION OF ADDITIONAL CONSULTANTS FOR THE SOUTH ORANGE COASTAL OCEAN DESALINATION FACILITY

President Clark advised that the proposal to enter into contracts with various consultants (contingent upon the concurrence of the Project Participants) to assist with work upcoming under the Phase 3 activities and towards development of the overall project was before the Board for consideration.

Colonel Dietmeier advised that the Project Participants Committee concurred with this proposal.

Director Dick commented that he would support the recommendation, but requested that the consultants work within the budgeted amounts and that notices be issued when contract amounts/fees are nearing completion; he cautioned against the consultants exceeding the total fees authorized. The Board generally concurred.

Upon MOTION by Director Hinman, seconded by Director Thomas, and carried (7-0), the Board authorize the General Manager to enter into contracts with the following consultants, to assist with work upcoming under the Phase 3 activities and towards development of the overall project. These include:

- a. Materials corrosion testing services to be provided by Dr. Joseph King of Engineering Materials (Professor at Harvey Mudd College) in the amount of \$24,899.
- b. Coastal geochemistry radium isotopic testing will be provided by Dr. Matt Charette of DBA Coastal Groundwater Consulting (Researcher at Woods Hole Oceanographic Institute) in the amount of \$22,000
- c. Technical advisory support and project review panel services from Water Globe Consulting (Nikolay Voutchkov, previously with Poseidon Resources) in the amount of \$20,800 (Tasks 1, 2 & 4 from his proposal) and Separation Consultants (David Furukawa) in the amount of \$20,000.

The Board reiterated that staff would continually monitor the contracts to ensure that the contract amounts/costs were not exceeded.

REORGANIZATION OF THE MWDOC BOARD OF DIRECTORS; ELECTION OF PRESIDENT AND VICE PRESIDENT

Legal Counsel Payne conducted the election of the President of the Board. Mr. Payne opened the nominations. Director Barbre nominated Director Finnegan to the office of President. Director Dick concurred in the nomination of Ms. Finnegan. With no further nominations, the nominations were closed.

Upon MOTION by Director Barbre, seconded by Director Dick, and carried (7-0), the Board adopted RESOLUTION NO. 1869, Electing Joan C. Finnegan as President of the Board, by the following roll call vote:

AYES:	Directors Barbre, Clark, Dick, Finnegan, Hinman, Royce, & Thomas
NOES:	None
ABSENT:	None
ABSTAIN:	None

The nominations for Vice President were then opened. Director Barbre nominated Director Thomas to the office of Vice President; and Director Dick concurred with the nomination.

Upon MOTION by Director Barbre, seconded by Director Dick, and carried (7-0), the Board adopted RESOLUTION NO. 1870, Electing Jeffery M. Thomas as Vice President of the Board, by the following roll call vote:

AYES:	Directors Barbre, Clark, Dick, Finnegan, Hinman, Royce & Thomas
NOES:	None

ABSENT: None
ABSTAIN: None

Following the reorganization, President Finnegan assumed responsibility and Chaired the remainder of the meeting.

APPOINTMENT OF SECRETARY, TREASURER(S), AND LEGAL COUNSEL

President Finnegan advised that the appointment of the District's Secretary, Treasurers, and Legal Counsel was before the Board for consideration.

Upon MOTION by Director Barbre, seconded by Director Thomas, and carried (7-0), the Board adopted RESOLUTION NO. 1871 appointing Maribeth Goldsby as Board Secretary, Phil Letrong as Treasurer, Judy Pfister as Deputy Treasurer, Kevin P. Hunt as Alternate Deputy Treasurer, and Russell G. Behrens as Legal Counsel by the following roll call vote:

AYES: Directors Barbre, Clark, Dick, Finnegan, Hinman, Royce & Thomas
NOES: None
ABSENT: None
ABSTAIN: None

INFORMATION CALENDAR

GENERAL MANAGER'S REPORT, JANUARY 2010

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

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 on his attendance at the MET Board and Committee meetings and that he would be meeting with representatives from San Diego County Water Authority regarding regional issues. He also reported on attending several legislative meetings in Washington, DC.

Director Dick commented that meetings would be held between MET, San Diego County Water Authority (and surrounding areas) regarding the potential use of the Education Center at Diamond Valley Lake; he will continue to update the Board. He

also reported on a presentation he made to the Boy Scouts of America organization, as well as his attendance at the Serrano Water District Board meeting, the Apartment Owners Association meeting, the Orange City Council meeting, and the WACO Planning Committee meeting. Mr. Dick also reported on attending a meeting with MET staff (Brian Thomas/Deven Upadhyay), an inspection trip with Assemblyman Silva which was co-hosted by Linda Ackerman, as well as Wes Bannister's memorial. He commented that problems with the projected budget of the expansion of the Mills treatment plant have arisen which will require he and other MET Directors to tour the facility to get a better understanding as to why the plant needs expansion.

Director Royce reported on attending the WACO Planning Committee, the WACO meeting, and the OCBC Infrastructure Committee meeting. He also commented on Orange County's population growth, and the effects this may have on Orange County's current and future infrastructure.

Director Clark reported on his attendance at the WACO meeting as well as two strategic planning meetings with the Urban Water Institute.

Director Thomas reported on meeting with members of the Tustin City Council, as well as meetings regarding the Water Summit III, and various meetings regarding Member Agency Relations.

Director Hinman reported on various meetings she attended, including the San Juan Basin Authority meeting, a meeting with the new and outgoing Presidents of South Coast Water District, a meeting with the new Mayor of San Clemente, and a meeting with representatives from the City of San Juan Capistrano (Mayor Uso and Councilwoman Freese). Ms. Hinman also advised that she attended meetings with Tom Hribar (South Orange Coastal Desalination Project), a presentation (with David Cordero) to the Board of Realtors regarding water issues, the South Orange Coastal Desalination Project Participants Committee meeting, Member Agency relations meetings, the Dana Point Chamber of Commerce installation meeting, a tour of MET's Weymouth facility, an OCWD facility tour, and the Laguna Beach County Water District Water Commission meeting, wherein Karl Seckel gave a presentation on South County issues.

Director Finnegan advised that she attended the following meetings: WACO Planning Committee, WACO, Center for Demographic Research, Mesa Consolidated Water District Board meeting, and Huntington Beach City Council meeting. She noted that she would be traveling to the ACWA/JPIA meeting later in the day, and would attend the ACWA Board meeting at the end of January. Ms. Finnegan advised that, as Vice President of ACWA/JPIA, she had assumed the responsibility of Acting President of ACWA/JPIA as a result of Wes Bannister's illness and untimely death. She further commented on her attendance at Mr. Bannister's memorial.

CLOSED SESSION

At 9:15 a.m., Legal Counsel Payne announced that the Board would adjourn to closed session, pursuant to Government Code Section 54956.9(c) for a conference with legal counsel to discuss anticipated litigation (one case).

RECONVENE

The Board reconvened at 10:42 a.m. and Legal Counsel Payne advised 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 11:43 a.m.

APPROVED

Joan C. Finnegan, President

Maribeth Goldsby, Secretary