

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
July 15, 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 Hinman 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.

STAFF

Kevin Hunt, General Manager
Karl Seckel, Assistant Gen. Mgr
Dan Payne, Legal Counsel
Russ Behrens, Legal Counsel
Maribeth Goldsby, Board Secretary
Harvey De La Torre, Principal Analyst
David Cordero, Dir. of Governmental Affairs
Darcy Burke, Dir. of Public Affairs
Joe Berg, Water Use Efficiency Prog. Mgr.
Phil Letrong, Finance Manager
Cathy Harris, Admin. Services Manager
Keith Lyon, Principal Analyst

ALSO PRESENT

Bob Moore
Mike Dunbar
Linda Ackerman
Don Chadd
Matt Disston
Michael Pedeia
Diana Leach
Steve Lamar
Doug Reinhart
Paul Jones
Frank Heldman
Trudy Ohlig-Hall

South Coast Water District
South Coast Water District
MWDOC MET Director
Trabuco Canyon Water District
Trabuco Canyon Water District
Trabuco Canyon Water District
Golden State Water Company
Irvine Ranch Water District
Irvine Ranch Water District
Irvine Ranch Water District
Golden State Water Company
Mesa Consolidated 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.)

No items were presented.

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 Barbre, seconded by Director Finnegan, and carried (6-0), the Board approved the Consent Calendar items as follows:

MINUTES

The following minutes were approved as presented.

June 3, 2009 Workshop Board Meeting
June 17, 2009 Regular Board Meeting

COMMITTEE MEETING REPORTS

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

Administration & Finance Committee Meeting: June 10, 2009
Public Affairs & Legislation Committee: June 15, 2009
Executive Committee Meeting: June 18, 2009

TREASURER'S REPORTS

The following items were ratified as presented.

MWDOC Revenue/Cash Receipt Register as of June 30, 2009
MWDOC Disbursement Register as of June 30, 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 May 31, 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 May 31, 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 conferences:

- Association of California Water Agencies Fall Conference, December 1-4, 2009, San Diego

(It should be noted that the Board generally concurred to also include the November 30, 2009 date of the ACWA/JPIA conference to the above.)

END CONSENT CALENDAR

ACTION CALENDAR

SOUTH ORANGE COASTAL OCEAN DESALINATION PROJECT AWARD OF PHASE 3 CONSTRUCTION STATE CONTRACTS SUBJECT TO JULY 23 PROJECT PARTICIPANTS COMMITTEE CONCURRENCE

General Manager Hunt advised that this item was reviewed and approved by the Planning & Operations Committee.

Upon MOTION by Director Hinman, seconded by Director Royce, and carried (6-0), the Board awarded the Phase 3 construction stage contracts with approval to enter into the subject agreements for the following work, contingent upon the concurrence of the Project Participants Committee at their July 23, 2009 meeting:

(a) Award the installation of the test facilities to the lowest responsive, responsible bidder, SCW Contracting Corporation, in the amount of \$479,449 and find that Environmental Construction Inc, the lowest apparent bidder, has provided sufficient evidence as required by Public Contract Code section 5103 in support of their request to withdraw their bid based on a clerical error.

(b) Award a professional services contract for the Test Slant Well Inspection/ Testing/ Redevelopment and Submersible Pump Installation work to Geoscience in the amount of \$196,654. Staff is requesting the Board waive MWDOC's adopted administrative procedures that require soliciting multiple proposals for this magnitude of work. This is recommended as a sole source contract due to the previous work and expertise developed in the construction of the existing slant well.

- (c) Approve an amendment to Carollo Engineers professional services agreement by \$31,928 for construction phase services for the Phase 3 facilities installation work.
- (d) Approve an amendment to Chambers Group professional services agreement to provide Phase 3 paleontological and biological monitoring services during construction of the test facilities in accord with their proposal dated May 11, 2009 and set a budget in the amount of \$50,000 for this work. The amount of this contract is subject to the construction time on the beach and findings made during the monitoring work. This is a requirement of the Coastal Commission Permit.
- (e) Approve amendment to Geoscience consulting agreement for NPDES water quality sampling, analysis and reporting work in the amount of \$96,239 to allow for initial sampling prior to construction as required per the Regional Water Quality Control Board permit conditions and to provide for the first six months of compliance water sampling.
- (f) Authorize the General Manager to enter into a Right of Entry agreement with the California Department of Parks and Recreation for use of Doheny State Beach for the Phase 3 test facilities, including payment of \$350,000.

AUTHORIZE GENERAL MANAGER TO ENTER INTO A CONSULTING CONTRACT WITH MALCOLM PIRNIE TO ASSIST MWDOC IN MET ACTIVITIES

Assistant General Manager Karl Seckel advised that the interview panel designated to evaluate the consultants' qualifications, experience, approach, and understanding of MWDOC's needs recommended Malcolm Pirnie and that the Planning & Operations Committee concurred with this recommendation.

Upon MOTION by Director Dick, seconded by Director Finnegan, and carried (6-0), the Board authorized the General Manager to enter into a consulting contract with Malcolm Pirnie to assist MWDOC in MET activities for a term of one year. The contract amount is \$100,000.

Director Dick commented that the MET Directors are looking forward to the support from Malcolm Pirnie.

RUNOFF FLOW MONITORING FOR THE SOUTH ORANGE COUNTY INTEGRATED REGIONAL WATERSHED MANAGEMENT PLAN WATER USE EFFICIENCY PROGRAM EXPANSION PROJECT

Upon MOTION by Director Hinman, seconded by Director Finnegan, and carried (6-0), the Board authorized the General Manager to enter into professional services agreement with GHD Consultants for runoff flow monitoring services in an amount not to exceed \$36,390.

REVISIONS TO DISTRICT CLASSIFICATION SCHEDULE

Upon MOTION by Director Finnegan, seconded by Director Barbre, and carried (6-0), the Board approved the revisions to the classification schedule as follows:

- (1) Reclassify of six positions (as outlined);
- (2) Adjustment to Ranges 24 through 26
- (3) Establish Range 27
- (4) Add Title of "Principal Water Resources Planner" at Range 24
- (5) Adjust salary schedule ranges by 2.5%; range adjustment to Salary schedule only, no impact to individual salaries as a result of this adjustment

CHANGE TO NEW CARRIERS FOR LONG-TERM DISABILITY, LIFE AND DENTAL INSURANCE BENEFITS

In response to an inquiry from the Board, Administrative Services Manager Cathy Harris clarified that because the Directors are not eligible to receive long-term disability and life insurance, only the change in dental benefits would apply to the Directors.

Upon MOTION by Director Finnegan, seconded by Director Dick, and carried (6-0), the Board (1) approved the proposed carriers for the Dental, Long-Term Disability, and Life Insurance carriers; and (2) authorized staff to notify the Association of California Water Agencies (ACWA) of the District's intent to terminate participation in its plan; and (3) authorized the General Manager to execute agreements/documents in order to proceed with the transition to the new providers.

REVISION TO 2009 MWDOC CAPACITY CHARGE

Upon MOTION by Director Hinman, seconded by Director Royce, and carried (6-0), the Board adopted the revised Capacity Charges for calendar year 2009 and directed staff to provide corrections to the water invoices for our Client Agencies.

ESTABLISH MEETING TIME FOR PLANNING & OPERATIONS COMMITTEE MEETINGS AND APPOINT COMMITTEE CHAIR

Upon MOTION by Director Barbre, seconded by Director Dick, and carried (6-0), the Board established the consistent meeting time of 8:30 a.m. for the Planning & Operations Committee meeting and appointed Director Royce as Committee Chair.

ACKNOWLEDGE RESIGNATION OF DIRECTOR BAKALL (EFFECTIVE JULY 2, 2009) AND DISCUSS PROCESS FOR APPOINTING/ELECTING A NEW MWDOC DIRECTOR FOR DIVISION 6

General Manager Hunt provided an overview and chronology of events for filling the Board vacancy in Division 6. He advised that prior to moving forward, the Board needed to determine whether Director Bakall's replacement would be elected by the public, or appointed by the Board, and that August 31, 2009 was the deadline for an appointment.

President Clark advised that due to the high cost of an election he recommends the Board appoint a replacement Director. He then presented his recommended procedure for making the appointment, which was to post a Notice of Vacancy (July 16, 2009), establish the deadline for application deadlines (July 31, 2009), hold a Special Board meeting (the week of August 3) to interview the candidates, establish an ad hoc committee to evaluate the candidate interviews (the week of August 10), and appoint a Director for Division 6 at the August 19, 2009 Board meeting.

The Board discussed the options available and acknowledged the high cost of holding a "Special Stand Alone" election (\$698,000-\$786,399). Each Director acknowledged the importance of elections, but agreed that the high cost would not be in the best interests of the MWDOC service area constituents.

Director Dick commented that it might be prudent to appoint a replacement now to serve only until the next regularly scheduled election. Director Barbe disagreed, noting that he believed appointing a "temporary" representative would not be in the best interests of Division 6 constituents who need a committed representative immediately.

Mr. Matt Disston (Trabuco Canyon Water District) addressed the Board, recommending that Trabuco Canyon's Director Glenn Acosta be appointed to fill the vacancy. He advised that Mr. Acosta ran against Mr. Bakall in the 2008 election, received 38% of the vote, is educated in water issues, and would be a viable candidate. Due to Mr. Acosta's background in water, he highly encouraged the Board to appoint Mr. Acosta.

Upon MOTION by Director Dick, seconded by Director Finnegan, and carried (6-0), the Board (1) acknowledged the resignation of Director Bakall (effective July 2, 2009), and (2) recommended appointing a replacement Director (rather than holding a special election); and (3) established the procedure for appointing a replacement Director as presented by President Clark (above).

Mr. Hunt then provided an overview of possible factors for the Board to consider when appointing a candidate. These factors included: residency, history of public service, knowledge of water issues, an understanding of policy, the proven ability to work collegially, outstanding character, the ability to commit the necessary time, a demonstrated interest in the position, no conflicts of interest with the position, and recommendations and/or references. Director Barbre noted that each candidate must also be a registered voter.

President Clark recommended he, along with Directors Dick and Hinman act as the ad hoc committee designated to evaluate the candidates. Upon UNANIMOUS CONSENT, the Board ratified the appointment of the ad hoc committee consisting of Directors Clark, Dick, and Hinman.

The Board discussed the date for holding a Special Board meeting to interview the candidates, and August 6, 2009 was selected. It was noted that the Special meeting would be held in the early evening hours.

INFORMATION CALENDAR

GENERAL MANAGER'S REPORT, JULY 2009

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

Director Dick requested that typographical errors be corrected (namely, remove his name from the attendance list of a meeting with Golden State Water Company, and correct the title of former Senator John Lewis (from Congressman). He also commented on a meeting held between Water Use Efficiency staff and RainBird® Landscape Products and requested clarification that the District provides manufacturers equal access to MWDOC and he confirmed that no endorsements are made.

Director Hinman corrected the first page of the report noting that Mr. Mike Dunbar's affiliation was incorrectly listed as the City of Garden Grove; the report was revised to reflect the affiliation as South Coast Water District.

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 had no additional reports.

Director Dick reported on attending a very positive meeting he had with the MET Fleet Manager (along with Director Ackerman) regarding operations. He also reported on attending water issues meetings with both Senators Huff and Silva. Mr. Dick then commended Ms. Ackerman on her efforts at the MET Legislative Committee meeting to tabling action on the MET recommended position of "support if amended" on S. 787 (Feingold regarding the Clean Water Restoration Act). He highlighted the importance of this action, noting that due to the complexity of the legislation, a thorough evaluation was needed. It was recommended that this legislation be placed on the MWDOC Public Affairs & Legislation Committee for discussion/evaluation.

Director Royce reported on attending the Civil Engineers Meeting (on June 19), a retirement event for General Colmes, WACO, and the OCBC Infrastructure Committee meeting.

Director Finnegan reported on a meeting she had with Kevin Hunt and representatives of the City of Huntington Beach. She also attended WACO and Orange County Council of Governments. She announced that ISDOC would be holding its quarterly luncheon on July 30, 2009 and encouraged attendance.

Director Hinman thanked Director Clark, along with Kevin Hunt and David Cordero, for their efforts during a recent legislative trip to Sacramento, regarding the status of the District's Prop 50 grant reimbursement request; the results were positive. She also thanked Karl Seckel for the presentations he made to the Boards of Moulton Niguel Water District and South Coast Water District, as well as the City of San Clemente on desalination issues.

President Clark reported on his legislative trip to Sacramento regarding Prop 50 grant fund reimbursement. He also reported that he would be attending the National Water Resources Association meeting at the end of July, noting he would meet with Director Ackerman on her thoughts regarding S.787 (Clean Water Restoration Act).

ADJOURNMENT

There being no further business to come before the Board, President Clark adjourned the meeting at 9:40 a.m.

APPROVED

Wayne A. Clark, President

Maribeth Goldsby, Secretary