

MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
March 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 Hinman 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 (absent)  
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  
Harvey De La Torre, Principal Analyst  
Darcy Burke, Dir. of Public Affairs  
Richard Bell, Principal Engineer  
Joe Berg, Water Use Eff. Prog. Mgr.  
Warren Greco, Intern/Limited Term

**ALSO PRESENT**

Bob Moore  
Diana Leach  
Ray Miller  
Heather Dion  
Trudy Ohlig-Hall  
Lee Pearl  
Frank Heldman  
Jack Foley

South Coast Water District  
Golden State Water Company  
City of San Juan Capistrano  
Townsend Public Affairs  
Mesa Consolidated Water District  
Mesa Consolidated Water District  
Golden State Water Company  
MET Director

**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.

**EMPLOYEE SERVICE AWARDS**

President Clark presented an award to Harvey De La Torre for one year 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 Hinman requested that item 1(b) (Minutes from the February 18, 2009 Board meeting) be pulled from the Consent Calendar for further discussion.

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

**MINUTES**

The following minutes were approved as presented.

February 4, 2009 Workshop Board Meeting

**COMMITTEE MEETING REPORTS**

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

- Planning & Operations Committee Meeting: February 2, 2009
- Administration & Finance Committee Meeting: February 11, 2009
- Public Affairs & Legislation Committee: January 19, 2009
- Public Affairs & Legislation Committee: February 17, 2009
- Executive Committee Meeting: February 17, 2009

**TREASURER'S REPORTS**

The following items were ratified as presented.

MWDOC Revenue/Cash Receipt Register as of February 28, 2009  
MWDOC Disbursement Register as of February 28, 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 January 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 January 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:

- a. Travel on Federal Initiatives for First and Second Quarter 2009

**END CONSENT CALENDAR**

**ITEM PULLED FROM THE CONSENT CALENDAR**

**FEBRUARY 18, 2009 BOARD MEETING MINUTES**

Director Hinman commented on an error in the February 18, 2009 minutes, noting that she attended a San Juan Capistrano *Utilities Commission* meeting (rather than a city council meeting) and she requested the minutes be revised to reflect this. Upon MOTION by Director Hinman, seconded by Director Barbre, and carried (6-0), the February 18, 2009 Board meeting minutes were approved as amended.

**ACTION CALENDAR**

**PARTICIPATION IN ACWA AND NATIONAL GEOGRAPHIC "WATER FOR TOMORROW" MAGAZINE PARTNERSHIP**

Director of Public Affairs Darcy Burke reported that as a result of the Administration & Finance Committee's request, she was able to obtain additional information on the

requirements for participation in the ACWA/National Geographic "Water for Tomorrow" magazine. She stated that a minimum commitment must be for two years, with a minimum of 1,000 copies of each issue (which are semi-annual).

The Board discussed many unresolved questions, which included, what the publication would be used for (inspection trips, etc.), whether our client agencies will be purchasing them, the topics covered, and whether MET will participate (and if so how many copies will be purchased by MET). Ms. Burke noted that MET has not yet made a determination on the level of participation and that many of MWDOC's client agencies have similar questions. She advised that although ACWA is requesting a commitment by March 20, 2009, due to the number of unresolved questions, the date will most likely be extended.

Upon unanimous consent, the Board directed staff to obtain confirmation of MET's participation, obtain the cost for adding MWDOC's logo, and referred this item back to the Administration & Finance Committee for further evaluation in April.

### **CONSIDER CONCURRING IN THREE NOMINATIONS FOR THE ACWA/JPIA EXECUTIVE COMMITTEE**

President Clark stated that the proposal to adopt resolutions concurring in the nominations of Tom Cuquet (South Sutter Water District), E.G. "Jerry" Gladbach (Castaic Lake Water Agency), and Lou Reinkens (Tahoe City Public Utility District) to the ACWA/JPIA Executive Committee was before the Board for consideration.

Upon MOTION by Director Bakall, seconded by Director Hinman, and carried (6-0), the Board adopted RESOLUTION NO. 1846 Concurring in the Nomination of Tom Cuquet of South Sutter Water District to the ACWA/JPIA Executive Committee, RESOLUTION NO. 1847 Concurring in the Nomination of E.G. "Jerry" Gladbach of Castaic Lake Water Agency to the ACWA/JPIA Executive Committee, and RESOLUTION NO. 1848 Concurring in the Nomination of Lou Reinkens of Tahoe City Public Utility District to the ACWA/JPIA Executive Committee, by the following roll call vote:

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

### **AGREEMENT WITH ALTERNATIVE RESOURCES, INC. TO PROVIDE FINANCIAL AND TECHNICAL SUPPORT FOR POSEIDON RESOURCES' WATER PURCHASE AGREEMENT**

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

Upon MOTION by Director Bakall, seconded by Director Royce, and carried (6-0), the Board authorized the General Manager to enter into an agreement with Alternative

Resources, Inc. (ARI) to provide financial and technical support for the Poseidon Resources' Water Purchase Agreement, with the understanding that MWDOC is acting as the pass-through agency, i.e., that Poseidon Resources will assume financial responsibility for ARI's costs.

### **ESTABLISHMENT OF LEGISLATIVE POSITIONS**

Director Hinman stated that the Public Affairs & Legislation Committee reviewed the proposed legislation and unanimously recommended a "support" position on AB 1061 (Lieu), and an "oppose unless amended" position on SB 407 (Padilla). She stated that although an "oppose" position on AB 474 (Blumenfield) passed through the Committee it was by a 2-1 vote (with Director Hinman as the negative vote). She highlighted AB 474 and reiterated her suggestion to adopt a "watch" position on AB 474, rather than an "oppose" position. Ms. Hinman suggested the Board consider each piece of legislation separately; the Board concurred.

The Board held considerable discussion regarding the reasons surrounding staff's recommendation for an "oppose" position on AB 474 (Blumenfield regarding water efficiency improvements). General Manager Hunt advised that approval of the legislation had the potential to create unnecessary work and costs (taxation). Ms. Hinman suggested that because MWDOC's client agencies would be impacted (not MWDOC), it would be prudent to adopt a "watch" position.

Directors Dick and Barbre expressed concern with AB 474 and the extra burden it will place on the client agencies and they supported the "oppose" position.

Following discussion, and upon MOTION by Director Hinman, seconded by Director Bakall, and carried (4-2), the Board adopted a "Watch" position on AB 474 (Blumenfield). Directors Bakall, Clark, Hinman and Royce voted in favor, with Directors Barbre and Dick voting against.

President Clark advised that AB 1061 (Lieu, regarding Common Interest Developments: Water Efficient Landscapes) was before the Board for consideration. Upon MOTION by Director Hinman, seconded by Directors Royce and Bakall, and carried (5-1) the Board adopted a "Support" position on AB 1061 (Lieu). Director Barbre voted no.

President Clark advised that SB 407 (Padilla regarding Plumbing Fixtures: High Water Use) was before the Board for consideration. Upon MOTION by Director Bakall, seconded by Director Hinman, and carried (6-0), the Board adopted an "Oppose Unless Amended" position on SB 407 (Padilla).

### **INFORMATION CALENDAR**

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

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

Director Bakall commended staff for a thorough and informative report, but suggested it may be prudent to condense some of the information (with less detail). The Board held a brief discussion and the majority of Board members present suggested the report remain as written.

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 a luncheon he had with MET General Manager Jeff Kightlinger. He also reported on his recent activities in Washington, DC regarding desalination legislation, noting he will be going back to DC at the end of the week.

Director Dick reported on attending a meeting (with the General Manager) in Bakersfield regarding a potential opportunity to diversify MWDOC's water portfolio. He also reported that he passed information to the General Manager regarding a solar film project (by Chris Nguyen); he requested staff provide a report on this at an upcoming Committee meeting. Mr. Dick then referenced Imperial Irrigation District (IID) renaming the Drop 2 reservoir to the "Warren Brock Reservoir" and suggested the District send a letter in support.

Director Royce reported on attending the ACWA Federal Affairs Committee meeting (via teleconference), the MET Ordinance Workshop, the WACO meeting, the OCBC Infrastructure Committee meeting, the Westminster Chamber of Commerce meeting, and the League of Cities meeting.

Director Bakall reported on his MET Board and Committee activities. He also reported on a meeting he had with the President of Irvine Ranch Water District as well as a discussion with Santa Margarita Water District's General Manager regarding LAFCO issues and possible solutions.

Director Hinman reported on attending a desalination briefing on February 25, 2009 (covering desalination issues from the Australian perspective), a taping at the Discovery Science Center regarding the Children's Water Education Program, several of the MET Committee meetings, and the South Coast Water District Engineering Committee meeting. She and Assistant Manager Seckel attended a meeting with John O'Donnell and San Juan Capistrano's new City Council member, Laura Freese on water issues, and she and General Manager Hunt had a meeting with South Coast Water District's new Director Wayne Rayfield.

President Clark reported on attending a Water Transfers and Supply Development workshop in Santa Barbara; a written report was included in the packet.

### **CLOSED SESSIONS**

At 9:22 a.m., Legal Counsel Payne announced that pursuant to Government Code Section 54957, to discuss the performance evaluation of the General Manager.

### **RECONVENE**

The Board reconvened in open session at 11:10 a.m., and President Clark announced that no reportable action was taken in closed session.

### **OPEN SESSION**

#### **CONSIDERATION OF GENERAL MANAGER'S COMPENSATION**

President Clark announced that the Executive Committee recommended a salary increase to the General Manager not to exceed 5% of his existing salary.

The Board discussed the General Manager's current salary as well as his salary package.

Director Bakall commented that although the Board is pleased with the General Manager's performance, due to the economic challenges facing the region, it would be prudent to forego any increases at this year. Director Royce agreed, highlighting the deflationary economy. Directors Barbre and Dick believed it would be prudent to award the General Manager an increase at a lower level than recommended.

Following considerable discussion, and upon MOTION by Director Dick, seconded by Director Barbre, and carried (6-0), the Board voted in favor of a salary increase, but requested that the Executive Committee discuss this issue further and determine a more finite number (between 0 and 5%). The Executive Committee will make its recommendation to the Board at the Administration & Finance Committee meeting in April (for final action).

### **ADJOURNMENT**

There being no further business to come before the Board, President Clark adjourned the meeting at 11:20 a.m.

### **APPROVED**

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Wayne A. Clark, President

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Maribeth Goldsby, Secretary