

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
November 19, 2008

At 8:30 a.m. Vice President Finnegan 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 Royce led the Pledge of Allegiance and Secretary Goldsby called the roll.

MWDOC DIRECTORS

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

STAFF

Kevin Hunt, General Manager
Karl Seckel, Assistant Gen. Mgr. (absent)
Dan Payne, Legal Counsel
Maribeth Goldsby, Board Secretary
Phil Letrong, Finance Manager
Keith Lyon, Principal Analyst
Harvey De La Torre, Principal Analyst
Darcy Burke, Director of Public Affairs
Judy Pfister, Sr. Accountant
Jeff Stalvey, Financial Analyst
Kelly Hubbard, WEROC Programs Mgr.

ALSO PRESENT

Dick Dietmeier
Mike Dunbar
Diana Leach
Frank Heldman
Peer Swan
Lee Pearl
Ray Miller
Richard Freschi

South Coast Water District
South Coast Water District
Golden State Water Company
Golden State Water Company
Irvine Ranch Water District
Mesa Consolidated Water District
City of San Juan Capistrano
Serrano Water District

PUBLIC PARTICIPATION/PUBLIC COMMENT

Vice President Finnegan 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. Ms. Finnegan 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

Vice President Finnegan then presented awards to Judy Pfister and Jeff Stalvey for going above and beyond with their service to the District.

CONSENT CALENDAR

Vice President Finnegan 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 Director Royce, and carried (5-0), the Board approved the Consent Calendar items as follows:

MINUTES

The following minutes were approved as presented.

- September 17, 2008 Regular Board Meeting
- October 1, 2008 Workshop Board Meeting
- October 15, 2008 MWDOC Water Facilities Corporation Meeting

COMMITTEE MEETING REPORTS

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

- Planning & Operations Committee Meeting: October 6, 2008
- Administration & Finance Committee Meeting: October 8, 2008
- Public Affairs & Legislation Committee Meeting: October 20, 2008
- Executive Committee Meeting: September 18, 2008
- MWDOC/OCWD Joint Planning Committee: September 24, 2008

TREASURER'S REPORTS

The following items were ratified as presented.

- MWDOC Revenue/Cash Receipt Register as of October 31, 2008
- MWDOC Disbursement Register as of October 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 September 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 September 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. Colorado River Water Users Association Annual Conference, December 15-17, 2008, Las Vegas
- b. California Water Law Conference, November 20-21, 2008 Pasadena
- c. Water Resources Institute Presentation of Lifetime Achievement in Water Award dinner, November 15, 2008, San Bernardino
- d. Election Wrap-Up Luncheon, November 2, 1 2008, Orange

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) AMENDMENT TO BYLAWS

The Board approved the ACWA Bylaws, and authorized the Board President, or his designee, to cast the District's ballot with respect to the Bylaws, at the ACWA fall conference in Long Beach.

END CONSENT CALENDAR

PRESENTATION BY KELLY HUBBARD REGARDING WEROC ACTIVITIES AND LESSONS LEARNED THROUGH HURRICANE IKE

Ms. Kelly Hubbard (WEROC Programs Coordinator) presented information/findings from her trip to Houston, Texas to evaluate the emergency response from Hurricane Ike. Her presentation included an overview of the lessons learned from the Hurricane, with Ms. Hubbard noting that overall, the emergency response to the Hurricane was efficient and well organized.

Ms. Hubbard then reviewed the activities from the recent Yorba Linda fires, noting that the Orange County Emergency Operations Center was in full operation. She stated that a detailed accounting of the activities would be provided to the Board once things settled down.

The Board thanked Ms. Hubbard for her presentation and commended her for her efforts with the recent fire.

ACTION CALENDAR

RESOLUTION CONGRATULATING SAT TAMARIBUCHI ON THE OCCASION OF HIS RETIREMENT FROM THE IRVINE COMPANY

Upon MOTION by Director Dick, seconded by Director Royce, and carried (5-0), the Board adopted RESOLUTION NO. 1838 congratulating Irvine Company Vice President of Environmental Affairs, Sat Tamaribuchi, on the occasion of his retirement, by the following roll call vote:

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

(Director Dick departed the meeting at 8:55 a.m.).

PRINTING OF WATER USE EFFICIENCY PROGRAM MARKETING MATERIALS

Director Bakall advised that the Planning & Operations Committee unanimously recommended this item for approval.

Upon MOTION by Director Bakall, seconded by Directors Royce and Hinman, and carried (4-0), the Board (1) authorized the expenditure of budgeted funds in the amount of \$38,067.16 for printing and graphic design of Water Use Efficiency Programs marketing materials; (2) authorized two Orange County-based printers to provide print services: Bryton Printing and OC Printing; and (3) authorized two Orange County-based graphic designers to provide graphic design services: OC Printing and Alain Jamar Design.

AUTHORIZE THE GENERAL MANAGER TO ENTER INTO THE DWR GRANT CONTRACT FOR BUDGET BASED RATES IN ORANGE COUNTY AND TO ENTER INTO PARTICIPATING AGREEMENTS AND CONSULTANT AGREEMENTS TO CARRY OUT THE STUDY

Director Bakall announced that the Planning & Operations Committee also unanimously recommend this item for approval.

Upon MOTION by Director Bakall, seconded by Director Hinman, and carried (4-0), the Board authorized the General Manager to enter into the necessary agreements to carry out the provisions of the 2008 DWR Urban Drought Assistance Grant Program; as follows, subject to review and approval of MWDOC's legal counsel: (1) DWR Grant

Agreement; (2) the Project Participation Agreement; (3) Consulting Agreement with Red Oak Consulting, a division of Malcolm Pirnie; and Consulting Agreement with Digital Map Products.

SPONSORSHIP OF SANTA ANA RIVER WATERSHED CONFERENCE, \$1000

As a result of questions raised at the Public Affairs & Legislation Committee meeting, Director of Public Affairs, Darcy Burke, outlined the terms of a sponsorship (MWDOC logo on signage, five complimentary tickets to the event, and MWDOC identified as a full sponsor).

Upon MOTION by Director Hinman, seconded by Director Royce, and carried (4-0), the Board authorized sponsorship of the Santa Ana River Watershed Conference in the amount of \$1,000.

INFORMATION CALENDAR

GENERAL MANAGER'S REPORT, NOVEMBER 2008

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

General Manager Hunt advised that Water Use Efficiency Programs Manager Joe Berg (along with Elizabeth Clatfelter) was able to secure a signed Statement of Interest from American Apparel to participate in both the MWDOC and MET Industrial incentive programs. American Apparel would like to install a wastewater treatment and reuse system that uses nanofiltration.

He further commented that Boeing (Huntington Beach) is seeking approval by MET to participate in the Conservation Credits Program.

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 Royce reported that he and Mr. Hunt presented information to the City of Westminster regarding the water crisis. He also reported on attending the State Water Project inspection trip, the MET model ordinance meeting, the WACO meeting and the OCBC Governmental Affairs meeting.

Director Bakall reported on his MET activities, noting the dire conditions with the Delta pumping.

Director Hinman reported that she attended the South Orange County desalination project meeting, the San Juan Capistrano Utilities Advisory Commission meeting, the San Clemente City Council meeting the ISDOC luncheon, the WACO meeting, and the Water Policy Forum dinner.

Director Finnegan reported on attending her quarterly meeting with the Mesa Consolidated Water District, the ISDOC luncheon, and the Center for Demographic research meeting. She advised that she would be attending the ACWA Board meeting in Sacramento on November 20, 2008.

CLOSED SESSION

At 9:20 a.m., Legal Counsel Payne announced that the Board would adjourn to closed session, pursuant to Government Code Section 54957 regarding Public Employment (Title: Associate General Manager).

RECONVENE

The Board reconvened at 9: 43 a.m. and Vice President Finnegan announced that no reportable action was taken in closed session.

ADJOURNMENT

There being no further business to come before the Board, Vice President Finnegan adjourned the meeting at 9:45 a.m.

APPROVED

Joan C. Finnegan, Vice President

Maribeth Goldsby, Secretary