

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
April 16, 2014**

At 8:30 a.m. President Dick 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. Mr. Howard Johnson of Brady & Associates 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
Wayne Osborne
Jeffery M. Thomas

STAFF

Rob Hunter, General Manager
Karl Seckel, Assistant General Manager
Russ Behrens, Legal Counsel
Maribeth Goldsby, Board Secretary
Darcy Burke, Director of Public Affairs
Harvey De La Torre, Prin. Wtr Resource Analyst

ALSO PRESENT

Linda Ackerman
Patty Quilizapa
William Kahn
Robert Hanford
Doug Reinhart
Jim Fisler
John Kennedy
Jim Leach
Bob Moore
Gary Melton
Howard Johnson
Liz Mendelson

MWDOC MET Director
Aleshire & Wynder
El Toro Water District
Golden State Water Company
Irvine Ranch Water District
Mesa Water
Orange County Water District
Santa Margarita Water District
South Coast Water District
Yorba Linda Water District
Brady & Associates
San Diego County Water Authority

PUBLIC PARTICIPATION/PUBLIC COMMENT

President Dick 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. Dick asked whether there were any comments on other items which would be heard at this time.

Director Jim Fisler (Mesa Water) announced he is seeking re-election to LAFCO (as Alternate Commissioner). He provided a brief background of his qualifications and requested support of the MWDOC Board.

Director Bob Moore (South Coast Water District) expressed support for the Doheny Desalination Project as a Core project (in the 2014/15 budget) and thanked the MWDOC Board for their continued support of this project.

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 Hunter advised that a Revised Agenda was posted to include an item "MWDOC Board Support for the Bay Delta Conservation Plan." He requested this item be pulled from the agenda and that he would place this item on a future agenda for Board consideration; the Board concurred.

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

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

President Dick noted that the write up for item 5-2 (Agreement with Fraser Communications for Professional Communications Services) was updated and distributed to the Board (and made available to the public).

CONSENT CALENDAR

President Dick 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 follows. Directors Barbre, Clark, Dick, Finnegan, Hinman, Osborne, and Thomas voted in favor.

MINUTES

The following minutes were approved.

March 5, 2014 Workshop Board Meeting
March 7, 2014 Special Board Meeting
March 19, 2014 Regular Board Meeting

COMMITTEE MEETING REPORTS

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

Planning & Operations Committee Meeting: March 3, 2014
Administration & Finance Committee Meeting: February 12, 2014
Administration & Finance Committee Meeting: March 12, 2014
Public Affairs & Legislation Committee Meeting: February 18, 2014
Public Affairs & Legislation Committee Meeting: March 17, 2014
Executive Committee Meeting: March 20, 2014

TREASURER'S REPORTS

The following items were ratified and approved as presented.

MWDOC Revenue/Cash Receipt Register as of March 30, 2014
MWDOC Disbursement Registers (March/April)

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 February 28, 2014

PARS Monthly Statement (OPEB Trust)

Water Use Efficiency Projects Cash Flow

FINANCIAL REPORT

The following items were received and filed as presented.

Combined Financial Statements and Budget Comparative for the period ending
February 28, 2014

END CONSENT CALENDAR

ACTION CALENDAR

APPLICATION FOR CSDA'S DISTRICT TRANSPARENCY CERTIFICATE OF EXCELLENCE

President Dick advised that the proposal on whether or not the District should pursue CSDA's District Transparency Certificate of Excellence award was before the Board for consideration. He noted that the Administration Committee (by a vote of 1-2) did not recommend the District pursue the award due to the amount of staff time involved.

Director Osborne stated that due to MWDOC's small staff size, he would not support pursuing the award; he noted that most of the information is already on the District's website (Open Government Portal) and believed this effort would be duplicative.

Upon MOTION by Director Barbre, seconded by Director Finnegan, and carried (6-1), the Board approved staff pursuing CSDA's District Transparency Certificate of Excellence award. Directors Barbre, Clark, Dick, Finnegan, Hinman, and Thomas voted in favor; Director Osborne opposed.

AGREEMENT WITH FRASER COMMUNICATIONS FOR PROFESSIONAL COMMUNICATIONS SERVICES

Upon MOTION by Director Barbre, seconded by Directors Osborne and Thomas, and

carried (7-0), the Board approved the agreement with Fraser Communications for Professional Communications Services for the Value of Water Communications Plan. Directors Barbre, Clark, Dick, Finnegan, Hinman, Osborne and Thomas voted in favor.

INFORMATION CALENDAR

GENERAL MANAGER'S REPORT, APRIL 2014

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

Responding to an inquiry by Director Osborne, Mr. Hunter provided an overview of a meeting he had with MWH Contractors regarding a recent bid they submitted for a desalination plant in Monterey, California. Mr. Hunter stated that the project is of similar size and scope as the Doheny Desalination Project.

Director Barbre highlighted the meetings held regarding the AMP Sale Agreement and the implications for service connection OC-70 (issue of whether or not the Sale Agreement requires MET to provide emergency power at the OC-70 location) and he offered assistance from the MWDOC MET Directors. Mr. Hunter advised that currently discussions are among staff, but could require Board assistance in the future.

Director Hinman commented on the water sources (MET and Irvine Lake) for the Baker Water Treatment Plant and requested staff email her the percentage of imported water used for this facility.

The Board received and filed the report as presented.

MWDOC GENERAL INFORMATION ITEMS

BOARD OF DIRECTORS

The Board members each reported on their attendance at the regular (and special) MWDOC Board and Committee meetings. In addition to these meetings, the following reports were made on conferences and meetings attended on behalf of the District.

Director Barbre reported on his attendance and participation at MET and MWDOC meetings. He highlighted the fact that due to the historic low water rates and the nominal rate increase approved by the MET Board, more agencies are purchasing raw water and treating it themselves (a smaller number of agencies are purchasing treated water). He advised that this could cause potential financial issues and that the MET Board would be discussing this issue.

Director Finnegan advised that she attended the ISDOC Executive Committee meeting, the WACO Planning Committee meeting and the Mesa Water board meeting (with General Manager Hunter). She announced that the ISDOC luncheon would be held on May 29, 2014.

Director Osborne reported on his attendance at MWDOC's Elected Officials Forum, and the WACO meeting.

Director Clark advised that he attended planning meetings for upcoming Urban Water Institute Conferences.

Director Thomas highlighted his attendance at a meeting with at Santa Margarita Water District, and various meetings with representatives from the South County agencies regarding MWDOC's budget, as well as planning meetings for the upcoming Orange County Water Summit (May 16, 2014).

Director Hinman reported on attending the Moulton Niguel Water District board meeting, the meeting with South County agencies regarding MWDOC's budget, a meeting with StoryCorps wherein Mr. Seckel provided overview of the school program on behalf of Discovery Science Center, the San Juan Basin Authority meeting, the South Coast Water District board meeting, and the WACO Planning Committee meeting.

Director Dick reported on his attendance and participation at MET meetings, as well as the State of the City of Orange meeting, the Veteran's Program for MET Contractors, a meeting with Deven Upadhyay (MET Staff) regarding agricultural (ag) water, a radio interview for a show out of Detroit, Michigan (regarding California water issues), the North County Electeds meeting at the Nixon Library (set up by the North County Chambers of Commerce), a meeting with General Manager Hunter and Dick Ackerman regarding the MET Director selection, the ISDOC Executive Committee meeting, the Southern California Water Committee meeting, and a meeting with Legal Counsel Quilizapa (along with Mr. Hunter and Mr. Barbre) regarding the MET/SDCWA lawsuit. He highlighted that he is now the proud grandfather of Charlotte Jane (born in April).

CLOSED SESSION ITEMS

At 9:03 a.m., President Dick announced that the Board would adjourn to closed session regarding the following two items:

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9. One Case: *San Diego County Water Authority v. Metropolitan Water District of Southern California; all persons interested in the validity of the rates adopted by the Metropolitan Water District of Southern California on April 13, 2010, et al.*, former Los Angeles Superior Court, Case No. BS 126888, transferred on October 21, 2010, to San Francisco Superior Court, Case No. CPF-10-510830.

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Paragraph (1) of subdivision (d) of Government Code 54956.9). One Case: *San Diego County Water Authority v. Metropolitan Water District of Southern California; all persons interested in the validity of the rates adopted by the Metropolitan Water District of Southern California on April 10, 2012 to be Effective January 1, 2013 and January 1, 2014; and Does 1-10, et al.* (Los Angeles Superior

Court Case No. BS137830), transferred on August 23, 2012 to San Francisco Superior Court, Case No. CPF-12-512466.

RECONVENE

At 9:47 a.m., Legal Counsel Quilizapa announced that no reportable action was taken in closed session.

RETURN TO CLOSED SESSION

At 9:48 a.m., Legal Counsel Behrens announced that the Board would again adjourn to closed session regarding the following matters. He advised that Item 11 (Conference with Legal Counsel/anticipated litigation regarding significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9) was regarding the MWDOC Settlement Agreement with its Member Agencies on Budget, Activities, Charges, and Other Issues, effective June 1, 2011.

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9:

(One Case: Orange County Water District v. Northrop Corporation, et al.; Northrop Grumman Systems Corporation v. Metropolitan Water District of Southern California (Orange County Superior Court, Case No. 04CC00715))

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9. One case.

RECONVENE

The Board reconvened at 10:37 a.m., and Legal Counsel Behrens announced that no reportable action was taken in closed session.

ADJOURNMENT

There being no further business to come before the Board, President Dick adjourned the meeting at 10:38 a.m.

Respectfully submitted,

Maribeth Goldsby, Secretary