

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
August 20, 2014**

At 8:30 a.m. Vice President Osborne 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. General Manager Hunter led the Pledge of Allegiance and Secretary Goldsby called the roll.

MWDOC DIRECTORS

Brett R. Barbre
Wayne A. Clark
Larry Dick (absent)
Joan C. Finnegan
Susan Hinman (via teleconference)
Wayne Osborne
Jeffery M. Thomas (via teleconference)

STAFF

Robert Hunter, General Manager
Karl Seckel, Assistant General Manager
Russ Behrens, Legal Counsel
Maribeth Goldsby, Board Secretary
Darcy Burke, Director of Public Affairs
Cathy Harris, Administrative Services Manager
Kelly Hubbard, WEROC Programs Manager
Lisa Parson, WEROC Program Coordinator
Heather Baez, Governmental Affairs Manager
Joe Berg, Water Use Efficiency Prog. Manager
Harvey De La Torre, Prin. Water Res. Planner

ALSO PRESENT

Linda Ackerman
William Kahn
Ken Vecchiarelli
Brian Ragland
Doug Reinhart
Paul Weghorst
Paul Shoenberger
Phil Lauri
Larry McKenney
Bob Moore
Rick Erkeneff
Andrew Brunhart
Gary Melton
Laer Pearce
Betsy Eglash

MWDOC MET Director
El Toro Water District
Golden State Water Company
City of Huntington Beach
Irvine Ranch Water District
Irvine Ranch Water District
Mesa Water
Mesa Water
Moulton Niguel Water District
South Coast Water District
South Coast Water District
South Coast Water District
Yorba Linda Water District
Laer Pearce & Associates
Brady & Associates

TELECONFERENCE SITES

Vice President Osborne announced that Director Hinman would be participating via telephone conference from Rollins, Montana, and Director Thomas would be participating via telephone conference from Omaha, Nebraska. (All agenda requirements pursuant to the Ralph M. Brown Act were complied with.)

PUBLIC PARTICIPATION/PUBLIC COMMENT

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

Mr. Colin Edwards, from Assembly Member Travis Allen's office, presented an award to Vice President Osborne congratulating the District for being awarded the CSDA Special District Leadership Foundation's District Transparency Certificate of Excellence.

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.

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

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

No items were presented.

EMPLOYEE SERVICE AWARDS

Vice President Osborne presented awards to Sarah Sherman for 10 years of service with the District, and Tiffany Baca for 5 years of service with the District.

General Manager Hunter introduced MWDOC's newest employee, Lisa Parson, WEROC Program Coordinator, to the Board.

CONSENT CALENDAR

Vice President Osborne stated all matters under the Consent Calendar would be approved by one MOTION unless a Director wished to consider an item separately.

Responding to an inquiry by Vice President Osborne, Legal Counsel Behrens advised that ratification of the Resolution honoring James Edwards, as approved by the Executive Committee, was appropriate on the Consent Calendar.

Upon MOTION by Director Barbre, seconded by Director Finnegan, and carried (6-0), the Board approved the Consent Calendar items as follows. Pursuant to roll call vote, Directors Barbre, Clark, Hinman, Osborne, and Thomas voted in favor. Director Dick was absent

MINUTES

The following minutes were approved.

July 2, 2014 Workshop Board Meeting
July 16, 2014 Regular Board Meeting

COMMITTEE MEETING REPORTS

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

Planning & Operations Committee Meeting: July 14, 2014
Administration & Finance Committee Meeting: July 9, 2014
Public Affairs & Legislation Committee Meeting: July 21, 2014
Executive Committee Meeting: July 17, 2014

TREASURER'S REPORTS

The following items were ratified and approved as presented.

MWDOC Revenue/Cash Receipt Register as of July 31, 2014
MWDOC Disbursement Registers (July/August)

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 June 30, 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 June
30, 2014

**RESOLUTION NO. 1988 HONORING FOOTHILL MUNICIPAL WATER DISTRICT
METROPOLITAN DIRECTOR JAMES "JIM" T. EDWARDS**

The Board ratified the adoption of Resolution No. 1988 honoring James "Jim" Edwards on
the occasion of his retirement from the MET Board.

OC TAX AWARDS DINNER: ROSES, RADISHES AND ROYALTIES AWARDS, SEPTEMBER 4, 2014, NEWPORT BEACH, CA

The Board authorized attendance by Directors and such members of District staff as approved by the General Manager.

ATTENDANCE AT THE CSDA ANNUAL CONFERENCE, SEPTEMBER 29-OCTOBER 2, 2014, PALM SPRINGS, CA

The Board authorized attendance by Directors and such members of District staff as approved by the General Manager.

END CONSENT CALENDAR

ACTION CALENDAR

WATER QUALITY, SUPPLY AND INFRASTRUCTURE IMPROVEMENT ACT OF 2014 -- \$7.54B

Director Barbre commented that because there was no time sensitive reason to take action, he would prefer to defer this item to the September Public Affairs & Legislation Committee meeting.

Upon MOTION by Director Barbre, seconded by Director Finnegan, and carried (6-0), the Board deferred discussion on this item to the September 15, 2014 Public Affairs & Legislation Committee meeting. Directors Barbre, Clark, Finnegan, Hinman, Osborne & Thomas voted in favor.

RESPONSE TO THE ORANGE COUNTY GRAND JURY REPORT, "SUSTAINABLE AND RELIABLE ORANGE COUNTY WATER SUPPLY; ANOTHER ENDANGERED SPECIES?"

Upon MOTION by Director Barbre, seconded by Director Finnegan, and carried (6-0), the Board approved the draft response to the OC Grand Jury report (as revised by the Public Affairs & Legislation Committee) and directed staff to submit the response letter to the Orange County Grand Jury. Directors Barbre, Clark, Finnegan, Hinman, Osborne & Thomas voted in favor.

ISDOC OFFICER ELECTIONS

Upon MOTION by Director Barbre, seconded by Director Osborne, and carried (6-0), the Board adopted RESOLUTION NO. 1989 nominating Director Joan Finnegan for the position of Treasurer of ISDOC, by the following roll call vote:

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

INFORMATION CALENDAR**GENERAL MANAGER'S REPORT, AUGUST 2014**

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

It was reported that (1) the MET Board approved the refund of approximately \$8 million for OC-88 over charges; and (2) MET continues discussions regarding possible changes to their Allocation Plan.

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 attending the MWDOC and MET regular meetings, as well as several meetings with Gary Breaux and Syd Bennion regarding the State Water Project, an inspection trip of the OCWD Groundwater Replenishment System Project with Jeff Thomas and Fern Steiner (SDCWA), and an Association of California Cities reception (with Heather Baez). Mr. Barbre also reported on his attendance at an ad hoc committee meeting with Yorba Linda Water District regarding the Bay Delta Conservation Plan, the Water Policy dinner, the La Habra and Buena Park City Council meetings, meetings with the Ad Hoc Committee re Administrative Code, the ISDOC luncheon, a meeting with Tom Miller (MET), and a meeting with Pat Scanlon and Denise Krueger of Golden State Water Company.

Director Finnegan reported that she attended the regular MWDOC meetings, the ISDOC Executive Committee and luncheon, the Center for Demographic Research meeting, and the Costa Mesa City Council meeting.

Director Clark advised that he attended the MWDOC regular meetings as well as the Urban Water Institute Conference in San Diego.

Director Osborne reported on attending the MWDOC regular meetings, as well as the ISDOC luncheon, and the Water Policy dinner.

Director Thomas reported that he attended the MWDOC Administration & Finance Committee, as well as a meeting with Tustin Council Member, Alan Bernstein, the inspection trip of the OCWD Groundwater Replenishment System Project, the Water Policy dinner, the ISDOC luncheon, as well as a Community Leaders Briefing (hosted by MET) featuring Congressman Lowenthal and Jeff Kightlinger.

Director Hinman reported on attending MWDOC's Planning & Operations Committee, the Workshop Board meeting, the Administration & Finance Committee meeting, and the Public Affairs & Legislation Committee meeting.

CLOSED SESSION ITEMS

At 8:51 a.m., Legal Counsel Behrens announced that the Board would adjourn to closed session for the following:

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

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

Government Code sec 54956.9(d)(2); potential litigation: one case

RECONVENE

The Board reconvened at 9:33 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, Vice President Osborne adjourned the meeting at 9:34 a.m.

Respectfully submitted,

Maribeth Goldsby, Secretary