

**MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
February 19, 2014**

At 8:30 a.m. 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. President Finnegan 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. Water Res. Planner  
Joe Berg, Water Use Efficiency Prog. Mgr.

**ALSO PRESENT**

William Kahn  
Mike Dunbar  
Paul Shoenberger  
John Kennedy  
Jim Leach  
Bob Moore  
Rick Erkeneff  
Andrew Brunhart  
Ray Miller  
Linda Ackerman  
Betsy Eglash

El Toro Water District  
Emerald Bay Service District  
Mesa Water District  
Orange County Water District  
Santa Margarita Water District  
South Coast Water District  
South Coast Water District  
South Coast Water District  
City of San Juan Capistrano  
MWDOC MET Director  
Brady & Associates

**PUBLIC PARTICIPATION/PUBLIC COMMENT**

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 public 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.

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

President Finnegan 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 AWARDS**

President Finnegan presented Beth Fahl an award for ten years of service with the District.

**CONSENT CALENDAR**

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

Director Barbre requested Item No. 6 (Return of Funds to Member Agencies from Close-Out of Capacity Charge Account) be pulled from the Consent Calendar for further discussion.

Upon MOTION by Director Thomas, seconded by Director Osborne, and carried (7-0), the Board approved the balance of Consent Calendar items as follows. Directors Barbre, Clark, Dick, Finnegan, Hinman, Osborne and Thomas all voted in favor.

**MINUTES**

The following minutes were approved.

January 1, 2014 Adjourned Workshop Board Meeting  
January 15, 2014 Regular Board Meeting

**COMMITTEE MEETING REPORTS**

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

Planning & Operations Committee Meeting: January 6, 2013  
Administration & Finance Committee Meeting: January 8, 2013  
Public Affairs & Legislation Committee Meeting: December 16, 2013  
Public Affairs & Legislation Committee Meeting: January 20, 2014  
Executive Committee Meeting: January 16, 2014  
MWDOC/OCWD Joint Planning Committee Meeting: January 29, 2014

**TREASURER'S REPORTS**

The following items were ratified and approved as presented.

MWDOC Revenue/Cash Receipt Register as of January 31, 2014  
MWDOC Disbursement Registers (January/February)

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 December 31, 2013

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 December 31, 2013

General Manager's Year-to-Date Budget Report

**DISTRICT CONFERENCES**

- a. **California Special District's Association "How to Become an Effective Board Member," January 23, 2014 at MWDOC**

The Board ratified attendance by Directors.

**END CONSENT CALENDAR**

**ITEM PULLED FROM CONSENT CALENDAR FOR FURTHER DISCUSSION**

**RETURN OF FUNDS TO MEMBER AGENCIES FROM CLOSE-OUT OF CAPACITY CHARGE ACCOUNT**

Director Barbre referenced the total amount of money (approximately \$90,000) to be refunded to the agencies from the close-out of the Capacity Charge Account. He believed that due to the small refund amounts to each agency, it would be prudent to, instead, apply the \$90,000 toward MWDOC's Other Post-Employment Benefits (OPEB) trust account. Director Barbre then made a MOTION, which was seconded by Director Dick, to apply the \$90,000 from the close-out of the Capacity Charge Account, to the District's OPEB trust account.

Directors Hinman and Osborne opposed this idea, noting that the money belonged to the agencies, and that although the amount was fairly small, it should be returned.

Mr. Hunter advised that this issue was discussed with the Member Agency Manager's group and those present supported a refund.

Director Clark asked whether anyone in the audience had an issue with applying the \$90,000 toward the District's OPEB liability; no opposition was expressed.

Director Barbre's MOTION to apply the \$90,000 from the close-out of the Capacity Charge Account, to the District's OPEB trust account, passed by a vote of 5-2. Directors Barbre, Clark, Dick, Finnegan, and Thomas voted in favor. Directors Hinman and Osborne were opposed.

## **ACTION CALENDAR**

### **REORGANIZATION OF THE MWDOC BOARD OF DIRECTORS; ELECTION OF PRESIDENT AND VICE PRESIDENT**

President Finnegan announced that the Reorganization of the MWDOC Board officers was before the Board for consideration.

Director Barbre referenced the Board's general rule that MWDOC MET Director not serve as Board officers. He distributed a chart outlining the Presidents and Vice Presidents since 2001, noting that Directors Dick and Osborne have never served in the capacity as President or Vice President.

Ms. Finnegan suggested the Board continue with the rule that the MWDOC MET Directors not serve as Board officers.

Responding to an inquiry by Director Barbre, Legal Counsel Behrens advised that the election of Board officers is at the discretion of the Board.

Upon MOTION by Director Barbre, seconded by Directors Thomas and Finnegan, and carried (7-0), the Board adopted RESOLUTION NO. 1975 electing Larry Dick as President, and Wayne Osborne as Vice President, by the following roll call vote:

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

Director Finnegan handed the gavel to newly elected President Dick to run the balance of the meeting.

### **APPOINTMENT OF SECRETARY, TREASURER(S), AND LEGAL COUNSEL**

Upon MOTION by Director Barbre, seconded by Directors Thomas and Finnegan, and carried (7-0), the Board adopted RESOLUTION NO. 1976 appointing Maribeth Goldsby as Board Secretary, Hilary Chumpitazi as Deputy Treasurer, Judy Pfister as Deputy Treasurer, Robert Hunter as Alternate Deputy Treasurer, and Russell G. Behrens of Best, Best & Krieger as Legal Counsel, by the following roll call vote:

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

**EXTENSION OF FEDERAL LEGISLATIVE ADVOCACY CONTRACT WITH JAMES C. BARKER, P.C.**

Upon MOTION by Director Thomas, seconded by Director Barbre, and carried (7-0), the Board authorized an extension to the federal advocacy contract with James C. Barker, P.C., at the rate of \$90,00 for calendar year 2014 (\$42,000 for fiscal year 2013/14 and \$48,000 for fiscal year 2014/15). Directors Barbre, Clark, Dick, Finnegan, Hinman, Osborne and Thomas all voted in favor.

**EXTENSION OF STATE LEGISLATIVE ADVOCACY CONTRACT WITH TOWNSEND PUBLIC AFFAIRS, INC.**

Upon MOTION by Director Barbre, seconded by Director Finnegan, and carried (7-0), the Board authorized a one-year extension for the State advocacy contract with Townsend Public Affairs at the rate of \$90,000 for calendar year 2014. Directors Barbre, Clark, Dick, Finnegan, Hinman, Osborne and Thomas all voted in favor.

**RESOLUTION CALLING FOR ENHANCED WATER USE EFFICIENCY EFFORTS TO EXTEND REGIONAL WATER SUPPLIES FOR ORANGE COUNTY RESIDENTS AND BUSINESSES**

Upon MOTION by Director Hinman, seconded by Director Thomas, and carried (7-0), the Board adopted RESOLUTION NO. 1977, Calling for Enhanced Water Use Efficiency Efforts to Extend Regional Water Supplies for Orange County Residents and Businesses, by the following roll call vote:

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

**REQUEST FOR QUALIFICATIONS FOR PROFESSIONAL COMMUNICATIONS SERVICES**

Upon MOTION by Director Barbre, seconded by Director Finnegan, and carried (7-0), the Board approved the Request for Qualifications (RFQ) for professional communications services and directed staff to release the responses. professional communications services and directed staff to release the responses. Directors Barbre, Clark, Dick, Finnegan, Hinman, Osborne and Thomas all voted in favor.

**CALIFORNIA SPECIAL DISTRICT'S LEGISLATIVE DAYS, MAY 20-21, 2014, SACRAMENTO**

Upon MOTION by Director Barbre, seconded by Director Finnegan, and carried (7-0), the Board authorized attendance at the California Special District's Legislative Days on May 20-21, 2014 in Sacramento. Directors Barbre, Clark, Dick, Finnegan, Hinman, Osborne and Thomas all voted in favor.

**DESIGNATION OF MWDOC'S ALTERNATIVE VOTING REPRESENTATIVE FORD ISDOC**

Upon MOTION by Director Barbre, seconded by Director Osborne, the Board authorized Joan C. Finnegan to vote on behalf of MWDOC, in the absence of the presiding officer. Directors Barbre, Clark, Dick, Finnegan, Hinman, Osborne and Thomas all voted in favor.

**RESOLUTION HONORING CONGRESSMAN GARY MILLER**

Upon MOTION by Director Barbre, seconded by Director Finnegan, and carried (7-0), the Board approved an honorary resolution for Congressman Gary Miller, and directed staff to prepare the resolution for presentation at the upcoming Washington, DC luncheon. Directors Barbre, Clark, Dick, Finnegan, Hinman, Osborne and Thomas all voted in favor.

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

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

Mr. Hunter highlighted the meeting he attended with the California Department of Parks and Recreation (in Sacramento) with Karl and Chris Townsend, to discuss the appraisal process for the Doheny site and the long term relationship with State Parks, noting the meeting was very productive.

Mr. Hunter also highlighted that the State is currently in the third year of a serious drought.

The Board received and filed the report as presented.

**MWDOC GENERAL INFORMATION ITEMS****BOARD OF DIRECTORS**

In addition to the regular (and special) 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 Hinman reported on attending the WACO and WACO Planning Committee meetings, the San Clemente City Council meeting, the San Juan Capistrano Water Forum, the South County Watershed Executive Committee meeting, the Water Policy Forum, and the CSDA "How to Become an Effective Board Member" workshop. She noted that she would be attending the Operational Area Executive Board meeting later in the day. Director Hinman then congratulated South Coast Water District Director, Bob Moore, on his 90<sup>th</sup> birthday.

Director Clark advised that he attended the Irvine Ranch Water District Board meeting, the Water Policy dinner, and planning meetings for the Urban Water Institute Conference.

Director Osborne highlighted his attendance at the WACO meeting, the ISDOC luncheon, CSDA's "How to Become an Effective Board Member" workshop, and a meeting with Assembly Member Travis Allen regarding the Water Bond.

Director Finnegan reported that she attended the ISDOC Executive Committee and luncheon meetings, the Center for Demographic Research meeting, the Operational Area Executive Board meeting, and meetings with Assembly Member Travis Allen Assembly Member Mansoor regarding the Water Bond.

Director Barbre reported on his attendance and participation at MET meetings, as well as a meeting with Supervisor Spitzer and representatives from Golden State Water Company, a meeting with Chuck Gibson and Jim Leach regarding the ACWA DC trip, the Yorba Linda Water District Board meeting, the La Habra and Brea City Council meetings, and a meeting with Senator Lou Correa regarding the Water Bond. Mr. Barbre noted that he hosted a Colorado River inspection trip for the Grand Jury.

Director Dick reported on his attendance and participation at MET meetings, as well as the ISDOC Planning and ISDOC luncheon meetings, the WACO Planning and WACO meetings, planning meetings for the Urban Water Institute conference, and a meeting with East Orange County Water District General Manager Lisa Ohlund. He advised that Jennifer Fitzgerald was introduced as Fullerton's new MET Director.

#### **CLOSED SESSION ITEMS**

At 9:11 a.m., President Dick announced that the Board would adjourn to closed session for conferences with Legal Counsel regarding the following:

##### **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.

##### **PUBLIC EMPLOYEE PERFORMANCE EVALUATION**

Pursuant to Government Code Section 54957

Title: General Manager

#### **RECONVENE**

The Board reconvened at 9:40 a.m. and President Dick 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 9:45 a.m.

Respectfully submitted,

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Maribeth Goldsby, Secretary