

**MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
January 15, 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. Director Osborne 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  
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  
Bob Hill  
Robert Hanford  
Steve LaMar  
Doug Reinhart  
Jim Leach  
Bob Moore  
Rick Erkeneff  
Andrew Brunhart  
Gary Melton  
Patty Quilizapa  
Ed Means  
Linda Ackerman  
Betsy Eglash

El Toro Water District  
El Toro Water District  
Golden State Water Company  
Irvine Ranch Water District  
Irvine Ranch Water District  
Santa Margarita Water District  
South Coast Water District  
South Coast Water District  
South Coast Water District  
Yorba Linda Water District  
Aleshire & Wynder  
Means Consulting  
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 Maribeth Goldsby an award for twenty 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 Hinman inquired on the status of Item 5 (DWR Proposition 50 Grant for Desalination – Application for Doheny Desal Funding). Assistant General Manager Seckel reported that although the Planning & Operations Committee reviewed options for possible DWR Prop 50 grant funding, and concurred with the staff recommendation to seek funding opportunities if there is a good chance of securing funding, due to DWR's neutral/non-committal notification to MWDOC and the fact that there is insufficient time remaining to develop a solid technical proposal and a local funding commitment of \$500,000 (or more), staff now recommends for the Board to simply receive and file the information. Staff will not seek funding from the grant, as options are not in line with the grant offering.

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

**MINUTES**

The following minutes were approved.

- December 4, 2013 Workshop Board Meeting
- December 10, 2013 Special Board Meeting
- December 18, 2013 Regular Board Meeting

**COMMITTEE MEETING REPORTS**

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

- Planning & Operations Committee Meeting: December 2, 2013
- Administration & Finance Committee Meeting: December 11, 2013
- Executive Committee Meeting: December 19, 2013

**TREASURER'S REPORTS**

The following items were ratified and approved as presented.

MWDOC Revenue/Cash Receipt Register as of December 31, 2013  
MWDOC Disbursement Registers (December/January)

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 November 30, 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  
November 30, 2013

Financial Report for the Year Ending June 30, 2013

**DWR PROPOSITION 50 GRANT FOR DESALINATION – APPLICATION FOR  
DOHENY DESAL FUNDING**

The Board received and filed the report as presented. (Staff will not seek funding from this grant).

**END CONSENT CALENDAR**

**ACTION CALENDAR**

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

Following discussion, and upon MOTION by Director Thomas, seconded by Director Barbre, and carried (6-0), the Board deferred this item until February to allow attendance and consideration by all Directors. Directors Barbre, Clark, Finnegan, Hinman, Osborne & Thomas voted in favor; Director Dick was absent.

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

Following discussion, and upon MOTION by Director Thomas, seconded by Director Barbre, and carried (6-0), the Board deferred this item until February to allow attendance and

consideration by all Directors. Directors Barbre, Clark, Finnegan, Hinman, Osborne & Thomas voted in favor; Director Dick was absent.

### **BUREAU OF RECLAMATION WATERSMART GRANT RESOLUTION**

Upon MOTION by Director Hinman, seconded by Director Osborne, and carried (6-0), the Board adopted RESOLUTION NO. 1973, Supporting MWDOC's 2014 WaterSMART: Water and Energy Efficiency grant application to be submitted to the Bureau of Reclamation by January 23, 2014. RESOLUTION NO. 1973 was adopted by the following roll call vote:

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

### **FOUNDATIONAL ACTION PROGRAM FUNDING AGREEMENTS FOR CONSIDERATION:**

- (1) **Agreement Between MWDOC and MET and Agreement Between MWDOC and South Coast Water District and Laguna Beach County Water District for the Doheny Desal Project**
- (2) **Agreement Between MWDOC and MET and Agreement Between MWDOC and San Juan Basin Authority (SJBA) for the SJBA Project**

Assistant General Manager Karl Seckel advised that as discussed with the Planning & Operations Committee, the Agreements were approved by South Coast Water District (SCWD) and the San Juan Basin Authority (SJBA). SJBA has requested two minor modifications to the Agreements (pertaining to the intellectual property ownership language and the intellectual property license agreement; both modifications are minor in nature, but have been submitted to MWDOC legal counsel for review. Mr. Seckel noted that although the MET provisions require approval in January, the Laguna Beach County Water District (LBCWD) does not meet again until February 4, 2014, thereby requiring a revision reflecting the February date. Mr. Seckel advised that in the meantime, SCWD agreed to provide the full \$300,000 in funding while awaiting approval by the LBCWD.

Upon MOTION by Director Hinman, seconded by Director Thomas, and carried (6-0), the Board authorized staff to execute all four agreements, substantially in the form presented, subject to final review and comment by Legal Counsel. Directors Barbre, Clark, Finnegan, Hinman, Osborne & Thomas voted in favor; Director Dick was absent.

### **ADOPT RESOLUTION ESTABLISHING THE DISTRICT'S RETIREE HEALTH AND MEDICAL EXPENSE REIMBURSEMENT PLAN**

Upon MOTION by Director Thomas, seconded by Director Barbre, and carried (6-0), the Board adopted RESOLUTION NO. 1974, adopting the Municipal Water District of Orange County's Retiree Medical Expense Reimbursement Plan. RESOLUTION NO. 1974 was adopted 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, JANUARY 2014**

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

Mr. Hunter reported that (1) 2013 closed with the worst drought on record for California, that State Water Project Table A allocations are currently set at 5%, and that parts of the state are currently under water restrictions, (2) MET had begun its 11-day shutdown of the AMP pipeline; and (3) MWDOC has commenced its budget process.

Director Hinman congratulated Joe Berg, as he is the recent recipient of the Lana Sherman Award, which recognizes local and community innovations in water conservation.

Following a question by Director Hinman, Harvey De La Torre provided a brief overview of Minute Order 319, in particular the agreement between basin agencies such as MET and Mexico regarding Colorado River water.

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 Barbre reported on his attendance and participation at MET meetings, as well as his participation with the *Los Angeles Times* Editorial Board, and a recent legislative trip to Washington, DC. Mr. Barbre advised that Dan Grisnet (Santa Ana) and Michael Camacho (Inland Empire Utilities Agency) were recently appointed to MET's Executive Committee.

Director Osborne highlighted his attendance at the WACO meeting.

Director Clark reported on attending the WACO meeting and the Urban Water Institute planning meetings.

Director Thomas reported on attending the ACWA conference, the Colorado River Water Users Association conference, and planning meetings for the OC Water Summit.

Director Hinman reported on attending the WACO and WACO Planning Committee meetings, two Orange County Water District Board/Committee meetings, the South Coast Water District Board meeting, the OCBC Infrastructure Committee meeting, and a School Program presentation at Gates Elementary in the El Toro Water District service area.

Director Finnegan reported on attending the ISDOC Executive Committee meeting, Costa Mesa City Council meeting, and the MET Caucus. Ms. Finnegan announced that she was in possession of several ACWA/JPIA pocket calendars for 2014, for anyone interested in receiving one..

### **CLOSED SESSION ITEMS**

At 9:09 a.m., President Finnegan 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.

### **RECONVENE/RETURN TO CLOSED SESSION**

At 9:19 a.m., the Board concluded its closed session on the above two-items, and Legal Counsel Behrens announced that no reportable action was taken in closed session.

At 9:20 a.m., the Board returned to closed session for the following:

#### **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.

(Director Thomas exited the closed session at 9:25 a.m.)

**RECONVENE**

The Board reconvened at 9:44 a.m. and Legal Counsel Quilizapa announced that no reportable action was taken in closed session.

**ADJOURNMENT**

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

Respectfully submitted,

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Maribeth Goldsby, Secretary