

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
July 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. General Manager Hunter led the Pledge of Allegiance and Secretary Goldsby called the roll.

MWDOC DIRECTORS

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

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

ALSO PRESENT

Linda Ackerman
William Kahn
Ken Vecchiarelli
Steve LaMar
Doug Reinhart
John Kennedy
Ray Miller
Bob Moore
Rick Erkeneff
Andrew Brunhart
Jim Leach
Gary Melton
Betsy Eglash
Miles Hogan

MWDOC MET Director
El Toro Water District
Golden State Water Company
Irvine Ranch Water District
Irvine Ranch Water District
Orange County Water District
City of San Juan Capistrano
South Coast Water District
South Coast Water District
South Coast Water District
Santa Margarita Water District
Yorba Linda Water District
Brady & Associates
Aleshire & Wynder

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.

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 presented.

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.

No items were presented.

EMPLOYEE SERVICE AWARD

No service awards were presented.

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 Barbre, seconded by Director Thomas, and carried (5-0), the Board approved the Consent Calendar items as follows. Directors Barbre, Dick, Hinman, Osborne, and Thomas voted in favor. Directors Clark and Finnegan were absent

MINUTES

The following minutes were approved.

- June 4, 2014 Workshop Board Meeting
- June 18, 2014 Regular Board Meeting
- June 26, 2014 Special Board Meeting

COMMITTEE MEETING REPORTS

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

- Administration & Finance Committee Meeting: June 11, 2014
- Public Affairs & Legislation Committee Meeting: May 19, 2014
- Public Affairs & Legislation Committee Meeting: June 16, 2014
- Executive Committee Meeting: June 19, 2014

TREASURER'S REPORTS

The following items were ratified and approved as presented.

- MWDOC Revenue/Cash Receipt Register as of June 30, 2014
- MWDOC Disbursement Registers (June/July)

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 May 31, 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 May 31, 2014

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION 2014 BOARD OF DIRECTORS ELECTION – REGION 6, “SEAT C”

The Board directed that the District cast the ballot for incumbent, Elaine Sullivan (Leucadia Wastewater District), in the California Special Districts Association (CSDA) Board of Directors election for Region 6, “Seat “C.”

END CONSENT CALENDAR

ACTION CALENDAR

BUILDING/LEASE AGREEMENT BETWEEN MWDOC AND OCWD

Upon MOTION by Director Barbre, seconded by Director Osborne, and carried (5-0), the Board authorized the General Manager and Board President to execute Amendment No. 4 to the Agreement and Lease between MWDOC and OCWD regarding Shared Administrative Office Facilities. Directors Barbre, Dick, Hinman, Osborne, and Thomas voted in favor; Directors Clark and Finnegan were absent.

RESOLUTION AUTHORIZING EXECUTION OF THE STATE LANDS COMMISSION AMENDED GENERAL LEASE THAT EXTENDS THE TERM OF THE LEASE TO MAY 31, 2019 FOR THE DOHENY OCEAN DESALINATION PROJECT PILOT PLANT TEST FACILITIES

Upon MOTION by Director Barbre, seconded by Director Hinman, and carried (5-0), the Board adopted RESOLUTION NO. 1987 authorizing execution of the State Lands Commission Amended General Lease that extends the term of the Lease to May 31, 2019 for The Doheny Ocean Desalination Project Pilot Plant Test Facilities. Said RESOLUTION NO. 1987 was adopted by the following roll call vote:

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

OC-88 METERING/BILLING MISTAKE

Mr. Seckel reported that as a result of high meter reads and the subsequent overbilling by MET, MWDOC has overbilled the South County Pipeline water purchasers (SMWD, MNWD, TCWD, SCWD, and the Cities of San Juan Capistrano and San Clemente) an estimated amount of \$73,000. He advised that the Planning & Operations Committee recommended the funds be refunded to the agencies.

Upon MOTION by Director Barbre, seconded by Director Thomas, and carried (5-0), the Board authorized staff to meet with the affected agencies to review the issues and provide the agencies with their projected refund amounts; the Board also authorized the refunds of the estimated \$73,000 to the affected agencies. Directors Barbre, Dick, Hinman, Osborne, and Thomas voted in favor; Directors Clark and Finnegan were absent.

INFORMATION CALENDAR

GENERAL MANAGER'S REPORT, JULY 2014

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

Mr. Hunter reported that he attended the State Water Resources Control Board (SWRCB) hearing on July 15, 2014, wherein the SWRCB passed their emergency regulations on drought emergency conservation measures. He provided an overview of the emergency regulations, noting that they focus on outdoor potable water use. Mr. Hunter noted that staff would be preparing an outline of the regulations and emailing them to the Board and agencies.

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 Hinman reported on attending the MWDOC Executive Committee, Special Board meeting, Planning & Operations Committee meeting, the Moulton Niguel Water District Board meeting, the OCWA luncheon, and the WACO Planning Committee meeting.

Director Thomas advised that he attended the Santiago Aqueduct Commission meeting, and the MWDOC Administration & Finance Committee meeting.

Director Barbre reported on attending the MWDOC and MET regular meetings, as well as the MWDOC Special Board meeting, a tour of the Carlsbad Desalination Facility, a meeting

with Dan Ferons, Jim Leach and Dick Ackerman regarding Cadiz, the Yorba Linda Water District Board meeting, and the Yorba Linda Water District Citizen's Advisory Committee.

Director Osborne reported on his attendance at most of the MWDOC Board and Committee meetings, Special Board Workshop, and the WACO meeting.

Director Dick reported on his attendance and participation at MWDOC and MET Board and Committee meetings, the Orange Chamber of Commerce Legislative Committee meeting (as well as an Orange Chamber meeting he was featured speaker), Ad Hoc Committee meetings regarding the Administrative Code review, the MET Director luncheon meeting, the MET Pre-Caucus, the Caucus, a meeting at the City of Tustin, the OC Taxpayers Association meeting, the ISDOC Executive Committee meeting, the Serrano Water District Board meeting, and the WACO and WACO Planning meetings.

CLOSED SESSION ITEMS

At 8:55 a.m., Legal Counsel Behrens announced that pursuant to Government Code Section 54956.9(2)(d), the Board would adjourn to closed session for a conference with legal counsel regarding the MWDOC Settlement Agreement with its Member Agencies on Budget, Activities, Charges, and Other Issues, effective June 1, 2011.

RECONVENE

The Board reconvened at 9:12 a.m., and Legal Counsel Behrens announced that no reportable action was taken in closed session.

RETURN TO CLOSED SESSION

At 9:12 a.m., the Board adjourned to closed session regarding the following three issues:

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.

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Pursuant to Paragraph (2) 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 of Southern California on April 8, 2014, et al.*, Los Angeles Superior Court, Case No. BC547139

RECONVENE

At 9:26 a.m., the Board reconvened from closed session, and Legal Counsel Hogan announced that by a vote of 5-0, the Board voted to answer the complaint in the *San Diego County Water Authority v. Metropolitan Water District of Southern California; all persons interested in the validity of the rates adopted by MET on April 8, 2014, et al.*, Los Angeles Superior Court, Case No. BC547139. Directors Barbre, Dick, Hinman, Osborne, and Thomas voted in favor; Directors Clark and Finnegan were absent.

ADJOURNMENT

There being no further business to come before the Board, President Dick adjourned the meeting at 9:27 a.m.

Respectfully submitted,

Maribeth Goldsby, Secretary