

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
March 19, 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. Golden State Water Company's District Manager, Robert Hanford 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 (absent)
Karl Seckel, Assistant General Manager
Russ Behrens, Legal Counsel
Maribeth Goldsby, Board Secretary

ALSO PRESENT

William Kahn
Brian Ragland
Doug Reinhart
Paul Cook
Kellie Welch
Robert Hanford
Paul Shoenberger
John Kennedy
Ray Miller
Bob Moore
Rick Erkeneff
Andrew Brunhart
Gary Melton
Betsy Eglash

El Toro Water District
City of Huntington Beach
Irvine Ranch Water District
Irvine Ranch Water District
Irvine Ranch Water District
Golden State Water Company
Mesa Water District
Orange County Water District
City of San Juan Capistrano
South Coast Water District
South Coast Water District
South Coast Water District
Yorba Linda Water District
Brady & Associates

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 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 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 AWARDS

No employee 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 Finnegan, and carried (6-0), the Board approved the Consent Calendar items as follows. Directors Barbre, Clark, Dick, Finnegan, Hinman, and Osborne voted in favor. Director Thomas was absent.

MINUTES

The following minutes were approved.

February 5, 2014 Workshop Board Meeting
February 19, 2014 Regular Board Meeting

COMMITTEE MEETING REPORTS

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

Planning & Operations Committee Meeting: February 3, 2014
Administration & Finance Committee Meeting: February 12, 2014
Executive Committee Meeting: February 24, 2014

TREASURER'S REPORTS

The following items were ratified and approved as presented.

MWDOC Revenue/Cash Receipt Register as of February 28, 2014
MWDOC Disbursement Registers (February/March)

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 January 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 January 31, 2014

TRAVEL TO WASHINGTON DC IN 2014 TO COVER FEDERAL INITIATIVES

The Board received and filed the report as presented.

END CONSENT CALENDAR

ACTION CALENDAR

STANDING COMMITTEE AND AD HOC COMMITTEE APPOINTMENTS FOR 2014; SCHEDULE OF COMMITTEE MEETING DATES FOR 2014

President Dick announced that the proposed Standing Committee and Ad Hoc Committee appointments for 2014, as well as the schedule of Committee meeting dates for 2014, were before the Board for consideration.

Upon MOTION by Director Finnegan, seconded by Director Osborne, and carried (6-0), the Board (1) ratified the list of Standing Committee and Ad Hoc Committee appointments as presented by the President of the Board; and (2) ratified the Committee meeting dates/times for 2014. Directors Barbre, Clark, Dick, Finnegan, Hinman, and Osborne voted in favor. Director Thomas was absent.

ASSOCIATION AND COMMISSION APPOINTMENTS FOR 2014

President Dick announced that the proposed appointments to the Associations and Commissions for 2014 were before the Board for consideration.

President Dick advised that he received a request to add an association to the list, namely the South Orange County Watershed Management Area Executive Committee; the Board concurred. Mr. Dick recommended that Director Hinman act as the appointed representative, with Director Thomas the alternate (with Karl Seckel and Joe Berg as the staff support) to the South Orange County Watershed Management Area Executive Committee.

Director Barbre commented on the Orange County Business Council Legislative Committee, and requested that the representative and alternate positions be switched so that Director Osborne is the appointed representative, with Director Barbre as alternate.

Upon MOTION by Director Finnegan, seconded by Director Thomas, and carried (7-0), the Board (1) ratified the appointment of Representatives and Alternates to Associations, as amended by the President of the Board; and (2) adopted RESOLUTION NO. 1978 approving the appointment of Jeffery Thomas as Representative and Karl Seckel as Alternate to the Santiago Aqueduct Commission (SAC), for submission to SAC. Said RESOLUTION NO. 1978 was adopted by the following roll call vote:

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

APPROVAL OF IRVINE RANCH WATER DISTRICT'S (IRWD) STRAND RANCH WATER BANKING PROGRAM WHEELING AGREEMENT BETWEEN IRWD, MWDOC AND METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Responding to an inquiry by Director Barbre, Legal Counsel Behrens confirmed that he recommends approving the Agreement in its current form, noting that he will again review the document when in final form.

Upon MOTION by Director Thomas, seconded by Director Clark, and carried (7-0), the Board authorized the General Manager to execute the Wheeling Agreement between IRWD, MWDOC, and MET for conveyance of 1,000 acre-feet of water, subject to final review and approval of legal counsel. Directors Barbre, Clark, Dick, Finnegan, Hinman, Osborne and Thomas voted in favor.

NOMINATIONS FOR CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) BOARD OF DIRECTORS REPRESENTING REGION 6 "SEAT C"

President Dick reported that the Public Affairs & Legislation Committee recommended this item be deferred until April; the Board generally concurred.

AB 1671, FRAZIER, SACRAMENTO-SAN JOAQUIN DELTA: WATER CONVEYANCE SYSTEM

Upon MOTION by Director Barbre, seconded by Directors Finnegan and Hinman, and carried (7-0), the Board adopted an "oppose" position on AB 1671. Directors Barbre, Clark, Dick, Finnegan, Hinman, Osborne and Thomas voted in favor.

INFORMATION CALENDAR

GENERAL MANAGER'S REPORT, MARCH 2014

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

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 a Buena Park City Council meeting, the Yorba Linda Water District Citizen's Advisory meeting, an inspection trip to the State Water Project (co-hosted by Director Fern Steiner of the San Diego County Water Authority), and a meeting with Marcia Scully (MET legal) regarding updates on MET litigation.

Director Finnegan advised that she attended all of the MWDOC Board and Committee meetings.

Director Osborne reported on his attendance at the Urban Water Institute conference, as well as the WACO meeting.

Director Clark advised that he attended the WACO meeting, the Urban Water Institute conference, as well as planning meetings for upcoming Urban Water Institute Conferences.

Director Thomas highlighted his attendance at OCWD's workshop featuring John Garamendi regarding the Bay Delta Conservation Plan.

Director Hinman reported on attending the Operational Area Executive Committee meeting, the WACO Planning Committee and WACO meetings, the Special Board meeting with Representative Garamendi, the San Juan Basin Authority meeting, and a meeting with the Laguna Beach City Council and Water Commissioners regarding the Doheny Desalination Project. Ms. Hinman also attended the San Juan Capistrano City Council meeting and a meeting with representatives from South Coast Water District (regarding Doheny Desalination Project).

Director Dick reported on his attendance and participation at MET meetings, as well as the Urban Water Institute planning meetings, and the Urban Water Institute conference, the retirement event for Marcie Edwards, the Lifetime Achievement luncheon for Col. Jack Foley, the Special Board meeting with Representative Garamendi, the WACO and WACO Planning meetings, and the ISDOC Executive Committee meeting. Mr. Dick also attended the Orange County Apartment Association trade show, as well as a meeting with the former Chairman of the California Avocado Commission.

Assistant General Manager Karl Seckel announced that MWDOC would be hosting its Elected Officials Forum on Thursday, April 3, 2014.

CLOSED SESSION ITEMS

President Dick announced that although the following items were listed on the agenda, no closed sessions were necessary.

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

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.

ADJOURNMENT

There being no further business to come before the Board, President Dick adjourned the meeting at 8:54 a.m.

Respectfully submitted,

Maribeth Goldsby, Secretary