

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
November 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. IRWD Director Doug Reinhart led the Pledge of Allegiance and Secretary Goldsby called the roll.

MWDOC DIRECTORS

Brett R. Barbre (arr. at 8:40 am)
Wayne A. Clark
Larry Dick
Joan C. Finnegan
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
Harvey De La Torre, Prin. Water Res. Planner
Cathy Harris, Administrative Services Manager
Heather Baez, Governmental Affairs Manager

ALSO PRESENT

Miles Hogan
Linda Ackerman
Sat Tamaribuchi
William Kahn
Ken Vecchiarelli
Doug Reinhart
John Kennedy
Rick Erkeneff
Gary Melton
Betsy Eglash

Aleshire & Wynder
MWDOC MET Director
MWDOC Director-Elect, Division 5
El Toro Water District
Golden State Water Company
Irvine Ranch Water District
Orange County 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 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 AWARDS

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.

President Dick advised that the October 6, 2014 Planning & Operations Committee minutes were revised to reflect that MWDOC MET Director Larry McKenney was in attendance, and the October 20, 2014 Public Affairs & Legislation Committee minutes were revised to reflect that Larry Dick was "ex officio" to the Committee, rather than Director Finnegan.

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

MINUTES

The following minutes were approved.

- October 1, 2014 Workshop Board Meeting
- October 15, 2014 Board Meeting

COMMITTEE MEETING REPORTS

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

- Planning & Operations Committee Meeting: October 6, 2014 (as revised)
- Administration & Finance Committee Meeting: October 8, 2014
- Public Affairs & Legislation Committee Meeting: October 20, 2014 (as revised)
- Executive Committee Meeting: October 16, 2014
- MWDOC/OCWD Joint Planning Committee Meeting: October 22, 2014

TREASURER'S REPORTS

The following items were ratified and approved as presented.

- MWDOC Revenue/Cash Receipt Register as of October 31, 2014
- MWDOC Disbursement Registers (October/November)

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 September 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 September 30, 2014

Quarterly Budget Review

2014 CONFLICT OF INTEREST BIENNIAL REVIEW

The Board approved revisions to the District's Conflict of Interest Code and authorized staff to submit the revisions to the Orange County Clerk of the Board of Supervisors.

END CONSENT CALENDAR

ACTION CALENDAR

CONTRACT EXTENSION FOR CHOICE PORTION OF THE VALUE OF WATER COMMUNICATIONS PLAN WITH FRASER COMMUNICATIONS FOR PROFESSIONAL COMMUNICATIONS SERVICES

Upon MOTION by Director Thomas, seconded by Director Osborne, and carried (6-0), the Board approved the agreement with Fraser Communications for Professional Services for implementing the Value of Water Communications Plan. Directors Clark, Dick, Finnegan, Hinman, Osborne, and Thomas voted in favor. Director Barbre was absent.

AUTHORIZATION TO SIGN FUNDING AGREEMENTS FOR IMPLEMENTATION OF A COMPREHENSIVE LANDSCAPE WATER USE EFFICIENCY PROGRAM

President Dick announced that the proposal to enter into funding agreements for implementing the Comprehensive Landscape Water Use Efficiency Program was before the Board for consideration. Responding to an inquiry by Director Hinman, Mr. Joe Berg commented that the budget portion of the write-up was not complete, because the funding being sought is grant funding, not MWDOC funding.

Upon MOTION by Director Osborne, seconded by Director Finnegan, and carried (6-0), the Board (1) authorized the General Manager to sign the Implementation Agreement between the County of Orange and MWDOC to access the Proposition 84 funding for implementation of the Comprehensive Landscape Water Use Efficiency Program; and (2) authorized staff to apply the Proposition 84 funding to MWDOC and Metropolitan regional landscape rebate programs. Directors Clark, Dick, Finnegan, Hinman, Osborne, and Thomas voted in favor. Director Barbre was absent.

**TRI-COUNTY FUNDING AREA COORDINATING COMMITTEE (TCFACC)
AMENDMENT TO MEMORANDUM OF UNDERSTANDING FOR SHARING OF
PROPOSITION FUNDING WITHIN THE SAN DIEGO FUNDING AREA**

Upon MOTION by Director Hinman, seconded by Director Thomas, and carried (6-0), the Board authorized the Board President to sign the amendment to the Tri-County Funding Area Coordinating Committee Memorandum of Understanding for sharing Proposition 84 funding in the San Diego Funding area. Directors Clark, Dick, Finnegan, Hinman, Osborne, and Thomas voted in favor. Director Barbre was absent.

MWDOC LIABILITY INSURANCE RISK ASSESSMENT REPORT

Upon MOTION by Director Finnegan, seconded by Directors Osborne and Thomas, and carried (6-0), the Board directed the General Manager to notify JPIA of MWDOC's intent to rescind its notice to withdraw from the Liability, Crime, and Property Programs and continue participation in the JPIA programs. Directors Clark, Dick, Finnegan, Hinman, Osborne, and Thomas voted in favor. Director Barbre was absent.

(Director Barbre arrived at 8:40 a.m.)

RECOGNITION PLAQUES

President Dick advised that the proposal to prepare and deliver recognition plaques to certain elected officials who will no longer be serving in their respective seats on a city council or water district board of directors was before the Board for consideration. Plaques are proposed for the following individuals: Bob Moore and Dick Runge (South Coast Water District), and Larry Kramer and John Taylor (City of San Juan Capistrano). President Dick suggested the list be broadened and that staff look at other potential candidates for plaques. He suggested Board members provide input to the General Manager, who will then prepare plaques within his discretion.

Upon MOTION by Director Hinman, seconded by Director Clark, and carried (7-0), the Board authorized staff to develop recognition plaques for various water district directors and city council members to thank them for their service to the water industry. This authority allows the General Manager to prepare plaques for water leaders who will no longer be serving in their respective positions. Directors Barbre, Clark, Dick, Finnegan, Hinman, Osborne, and Thomas voted in favor

INFORMATION CALENDAR

GENERAL MANAGER'S REPORT, NOVEMBER 2014

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

Discussion was held regarding the current discussions at MET regarding the allocation plan and potential revisions to the plan; Mr. Hunter advised that the revised plan would be presented to the MET Board in December.

Mr. Hunter also highlighted that the Purchase Order System was approved by the MET Board, and that staff would be submitting comments on the Poseidon Clean Energy Report.

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 the Brea, La Palma, La Habra, and Buena Park City Council meetings, a meeting with Gary Breaux, the MET Caucus, and the Yorba Linda Water District Board meeting. Mr. Barbre also highlighted an inspection trip he hosted (State Water Project) and a tour of the Diemer Plant facilities. Mr. Barbre announced that Mr. Gil Ivey would be retiring from MET and suggested he be invited to MWDOC to honor him.

Director Finnegan advised that she attended the MWDOC Board meeting, the WACO Planning and WACO meetings, the ISDOC Executive Committee and ISDOC luncheon meetings, and the Orange County Council of Government meeting.

Director Osborne noted his attendance at the MWDOC Board and Committee meetings, the ISDOC luncheon, the WACO meeting, and the MWDOC Elected Officials Forum. He suggested the Board discuss with staff options for receiving increased attendance at the Elected Officials Forum.

Director Hinman reported on attending the MWDOC Board and Committee meetings, the South Coast Water District Board meeting, the San Juan Utilities Commission meeting, the WACO meeting, the MWDOC Elected Officials Forum, the Rolling Thunder WEROC exercise, the San Juan Basin Authority meeting, MET's dedication of the Foley Courtyard, the OC Community Foundation's 25th anniversary luncheon, and the ISDOC luncheon. Ms. Hinman suggested the Board adjourn in memory of recently deceased El Toro Water District Board Member, Ted Martin.

Director Thomas noted his attendance at the Administration & Finance Committee meeting, the MWDOC Board meeting, the WACO meeting, the MWDOC Elected Officials Forum, the Water Policy Dinner, and the ISDOC luncheon. Mr. Thomas highlighted the career and personal attributes of Mr. Ted Martin.

Director Clark advised that he attended the MWDOC Board and Committee meetings.

Director Dick reported on attending the MWDOC and MET regular meetings, as well as OC Association of Realtors with Mr. Hunter, the Water Summit in Los Angeles, the Wells of Life fundraiser, the Water Policy Dinner, the ISDOC luncheon, the OC Taxpayers Association, the Orange County Business Council meeting, the East Orange County Water District Board meeting, the Elected Officials Forum, the WACO meeting, the MET Caucus, and the Disabled Veterans of America meeting. Mr. Dick highlighted a meeting he had with the Secretary of Agriculture who was visiting MET.

CLOSED SESSION

At 9:02 a.m., Legal Counsel Behrens announced that the Board would adjourn to closed session for the following matters:

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 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 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 – 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 of Southern California on April 8, 2014, et al., Los Angeles Superior Court, Case No. BC547139

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: General Manager
Government Code Section 54957

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RECONVENE

At 9:41 a.m., the Board reconvened and announced that no reportable action was taken in closed session.

OPEN SESSION

CONSIDERATION OF GENERAL MANAGER'S COMPENSATION

President Dick announced that the Board conducted the performance evaluation of the General Manager, and as a result, and according to the terms of the "General Manager's Performance Guidelines," the Board issued an overall rate of 4 to the General Manager which allows the Board to consider an increase in compensation (between 4-5.5%). As a result, President Dick recommended the Board award Mr. Hunter an increase in compensation of 5.5%, retroactive to his anniversary date.

Upon MOTION by Director Barbre, seconded by Directors Finnegan and Thomas, and carried (7-0), the Board authorized a salary increase of 5.5% (or \$12,375.00) to General Manager Hunter, retroactive to his anniversary date. Directors Barbre, Clark, Dick, Finnegan, Hinman, Osborne & Thomas voted in favor.

Mr. Hunter thanked the Board for their support.

ADJOURNMENT

There being no further business to come before the Board, President Dick adjourned the meeting at 9:50 a.m.

Respectfully submitted,

Maribeth Goldsby, Secretary