

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
October 15, 2014**

At 8:30 a.m. President Dick called to order the Special Meeting of the Municipal Water District of Orange County in the Board Room at the District facilities located in Fountain Valley. MWDOC MET Director Larry McKenney led the Pledge of Allegiance and Secretary Goldsby called the roll.

MWDOC DIRECTORS

Brett R. Barbre
Wayne A. Clark
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
Joe Berg, Water Use Efficiency Prog. Manager
Heather Baez, Governmental Affairs Manager
Harvey De La Torre, Prin. Water Res. Planner

ALSO PRESENT

Larry McKenney
William Kahn
Ken Vecchiarelli
Paul Weghorst
Phil Lauri
Charles Gibson
Rick Erkeneff
Andrew Brunhart
Gary Melton
Betsy Eglash

MWDOC MET Director
El Toro Water District
Golden State Water Company
Irvine Ranch Water District
Mesa Water
Santa Margarita 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.

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.

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

MINUTES

The following minutes were approved.

- September 3, 2014 Workshop Board Meeting
- September 17, 2014 Board Meeting
- September 17, 2014 Water Facilities Corporation Board Meeting

COMMITTEE MEETING REPORTS

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

- Planning & Operations Committee Meeting: September 2, 2014
- Administration & Finance Committee Meeting: September 10, 2014
- Public Affairs & Legislation Committee Meeting: September 15, 2014
- Executive Committee Meeting: September 18, 2014

TREASURER'S REPORTS

The following items were ratified and approved as presented.

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

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 August 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 August 31, 2014

DISTRICT CONFERENCES

The Board authorized attendance by Directors, and such members of District staff as approved by the General Manager at the following conferences. Note: authorization for AMWA is for the General Manager only.

- a. California Special District Leadership Academy, November 16-19, 2014, Anaheim
- b. Association of Metropolitan Water Agencies (AMWA) 2014 Annual Executive Management Conference, October 19-22, 2014, Newport Beach

END CONSENT CALENDAR

ACTION CALENDAR

AUTHORIZE THE GENERAL MANAGER TO ENTER INTO A CONSULTING AGREEMENT WITH CDM-SMITH TO PROVIDE TECHNICAL ASSISTANCE FOR THE OC WATER RELIABILITY STUDY AT A COST NOT TO EXCEED \$197,240

Upon MOTION by Director Osborne, seconded by Director Hinman, and carried (6-0), the Board authorized the General Manager to enter into a Consulting Agreement with CDM-Smith to provide technical assistance for the OC Water Reliability Study at a cost not to exceed \$197,240. Directors Barbre, Clark, Dick, Hinman, Osborne and Thomas voted in favor. Director Finnegan was absent.

ADOPTION OF THE ONE WATER ONE WATERSHED 2.0 PLAN

Upon MOTION by Director Barbre, seconded by Director Osborne, and carried (6-0), the Board adopted RESOLUTION NO. 1997 adopting the Santa Ana River Watershed Project Authority One Water One Watershed 2.0 Plan, the Integrated Regional Water Management Plan for the Santa Ana River Watershed. The Board advised that this action did not mean that the Board supports every aspect or philosophy of the Plan, but rather adoption is necessary to access grant funds for MWDOC's Comprehensive CII Water Use Efficiency Programs. RESOLUTION NO. 1997 was adopted by the following roll call vote:

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

EXTENSION OF CONSULTING CONTRACT WITH ACKERMAN CONSULTING

Upon MOTION by Director Barbre, seconded by Director Thomas, and carried (6-0), the Board approved the extension of the contract with Ackerman Consulting for specialized services through June 30, 2015. Directors Barbre, Clark, Dick, Hinman, Osborne and Thomas voted in favor. Director Finnegan was absent

EXTENSION OF CONSULTING CONTRACT WITH LEWIS CONSULTING GROUP

Upon MOTION by Director Barbre, seconded by Director Thomas, and carried (6-0), the Board approved the extension of the contract with Lewis Consulting Group through December 31, 2014.

BOARD SUPPORT FOR LARRY MCKENNEY TO SERVE ON THE ACWA REGION 10 BOARD OF DIRECTORS

Upon MOTION by Director Barbre, seconded by Director Hinman, and carried (6-0), the Board adopted RESOLUTION NO. 1998 supporting Director Larry McKenney's efforts to serve on the ACWA Region 10 Board of Directors, by the following roll call vote:

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

INFORMATION CALENDAR

GENERAL MANAGER'S REPORT, OCTOBER 2014

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

Mr. Hunter highlighted the drought, noting that MET is currently working with its member agency managers regarding possible changes to its Allocation Plan; more information will be presented as discussions move forward.

Director Barbre questioned why H.R. 5425 (to prohibit use of Federal funds for the Bay Delta Conservation Plan) was highlighted in the General Manager's report. As a result, discussion was held among the Board as to the length and content of the report and whether the reporting format should be changed. The Board generally concurred that the report was thorough and determined that the information was useful and should remain the same.

Director Hinman highlighted a meeting with Capistrano Unified School District, noting that representatives from South Coast Water District were also present.

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 ad hoc meeting with representatives from OCWD and Yorba Linda Water District, a meeting with Deena Gaily (MET's Ethics Department), participation on MWDOC's Ad Hoc Committee regarding the MET Director appointment, the Yorba Linda Water District Board meeting, a meeting with Poseidon, the Buena Park City Council meeting, and a televised debate with Debi Cook on desalination. Mr. Barbre also commented on the Turf Removal Program, noting that he received a complaint from a program participant and that the problem was rectified by Joe Berg. A brief discussion was held regarding the program rules, and the approach taken by both staff and the participant.

Director Osborne reported that he attended the MWDOC Board and Committee meetings, as well as the WACO meeting and the Water Policy Dinner.

Director Thomas reported that he attended the Santiago Aqueduct Commission (SAC) meeting, the Ad Hoc Committee meetings regarding the appointment of the MET Director, and the Water Policy Dinner. He thanked Director Clark for his many years of service to MWDOC and the water community.

Director Hinman reported on attending the regular MWDOC Board and Committee meetings, as well as the Smart Scape Expo, the South Coast Water District Board meetings, an inspection trip hosted by Director Dick, the South County Watershed Management Executive Committee meeting, the Water Policy Dinner, the Moulton Niguel Water District landscape workshop, the WACO meeting, San Clemente Recycled Water System Expansion Project ribbon-cutting event and the Laguna Beach County Water District Board meeting.

Director Clark advised that he attended the MWDOC regular Board and Committee meetings as well as the Water Policy Dinner.

Director Dick reported on attending the MWDOC and MET regular meetings, as well as the San Clemente Recycled Water System Expansion Project ribbon-cutting event, an agricultural inspection trip, along with ad hoc committee meetings (MET) regarding future agricultural inspection trips (with Ms. Zinke and her staff), the Water Policy Dinner, a planning meeting for the Urban Water Institute, a business-outreach inspection trip, and a meeting with one of the local advocates for the Vietnamese Community.

CLOSED SESSION

At 9:00 a.m., Legal Counsel Behrens announced that the Board would adjourn to closed session, pursuant to Government Code Section 54957, regarding the performance evaluation of the General Manager.

RECONVENE

The Board reconvened at 9:45 a.m. and President Dick announced that the Board reviewed and evaluated the performance of the General Manager and directed President Dick to meet with the General Manager to discuss the Board's evaluation. It was noted that any discussion regarding a salary adjustment for the General Manager, as well as establishing goals for the General Manager would be held within sixty days (by December 15th), and that any salary adjustment would be based on the General Manager's overall evaluation rating and relevant sections from the District's "General Manager's Performance Guidelines" document.

ADJOURNMENT

There being no further business to come before the Board, President Dick adjourned the meeting at 9:46 a.m.

Respectfully submitted,

Maribeth Goldsby, Secretary