

**MINUTES OF THE SPECIAL MEETING  
OF THE BOARD OF DIRECTORS  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
September 17, 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. Mr. Sat Tamarabuchi 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**

Robert Hunter, General Manager  
Karl Seckel, Assistant General Manager  
Russ Behrens, Legal Counsel  
Maribeth Goldsby, Board Secretary  
Keith Lyon, Prin. Water Resources Analyst  
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**

Ray Miller  
William Kahn  
Ken Vecchiarelli  
Doug Reinhart  
John Kennedy  
Jim Leach  
Bob Moore  
Rick Erkeneff  
Andrew Brunhart  
Gary Melton  
Sat Tamaribuchi  
Betsy Eglash

City of San Juan Capistrano  
El Toro Water District  
Golden State Water Company  
Irvine Ranch Water District  
Orange County Water District  
Santa Margarita Water District  
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.

**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**

President Dick presented an award to Keith Lyon for 25 years of service with the District.

**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.

Director Hinman commented on Item 2(c) (Public Affairs & Legislation Committee Meeting Report) and asked that the report reflect that she attended the meeting via teleconference.

Upon MOTION by Director Thomas, seconded by Director Barbre, and carried (7-0), the Board approved the Consent Calendar items as follows. Directors Barbre, Clark, Dick, Finnegan, Hinman, Osborne, and Thomas voted in favor.

**MINUTES**

The following minutes were approved.

- August 6, 2014 Workshop Board Meeting
- August 20, 2014 Regular Board Meeting

**COMMITTEE MEETING REPORTS**

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

- Planning & Operations Committee Meeting: August 4, 2014
- Administration & Finance Committee Meeting: August 13, 2014
- Public Affairs & Legislation Committee Meeting: August 11, 2014
- Executive Committee Meeting: August 21, 2014
- MWDOC/OCWD Joint Planning Committee Meeting: July 23, 2014

**TREASURER'S REPORTS**

The following items were ratified and approved as presented.

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

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 July 31, 2014

PARS Monthly Statement (OPEB Trust)

Water Use Efficiency Projects Cash Flow

**FINANCIAL REPORT**

The following items were received and filed as presented.

Preliminary Financial Report for the Fiscal Year 2013-14 (Unaudited)

Audit Report for FY 2013-14

**2014 CONFLICT OF INTEREST CODE – BIENNIAL REVIEW**

The Board authorized staff to submit the 2014 Biennial Review notice to the Orange County Clerk of the Board of Supervisors indicating that revisions to MWDOC’s Conflict of Interest Code are necessary.

**TRAVEL TO WASHINGTON, DC IN 2014 TO COVER FEDERAL INITIATIVES**

The Board received and filed the report regarding Washington travel, as presented.

**END CONSENT CALENDAR**

**ACTION CALENDAR**

**APPOINTMENT OF ADDITIONAL ALTERNATE DEPUTY TREASURER**

Upon MOTION by Director Finnegan, seconded by Director Barbre, and carried (7-0), the Board adopted RESOLUTION NO. 1990, reappointing Hilary Chumpitazi as Treasurer, Robert Hunter as Deputy Treasurer, and Jeff Stalvey and Mary Snow as Alternate Deputy Treasurers, and appointing Lina Gunawan as an additional Alternate Deputy Treasurer. Said RESOLUTION 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 RESOLUTION DESIGNATING AUTHORIZED AGENTS FOR THE 2013 GRANT TRANSFER AGREEMENT WITH THE COUNTY OF ORANGE AS THE LOCAL ADMINISTRATOR OF HOMELAND SECURITY GRANT FUNDS**

Upon MOTION by Director Hinman, seconded by Director Barbre, and carried (7-0), the Board approved the execution of the 2013 Grant Transfer Agreement with the County of Orange as the Local Homeland Security (HLS) Grant Administrator, and adopted RESOLUTION NO. 1991 which provides authority to the WEROC Program Manager and the General Manager as designated Authorized Agents for this grant, by the following roll call vote:

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

#### **THE WATER QUALITY, SUPPLY AND INFRASTRUCTURE IMPROVEMENT ACT OF 2014**

Upon MOTION by Director Barbre, seconded by Director Thomas, and carried (7-0), the Board adopted a "Support" position on the Water Quality, Supply and Infrastructure Improvement Act of 2014, a \$7.54 billion bond approved by the Legislature and will be Proposition 1 on the November 2014 ballot for California voters. Directors Barbre, Clark, Dick, Finnegan, Hinman, Osborne & Thomas voted in favor.

#### **S2198 (FEINSTEIN) EMERGENCY DROUGHT RELIEF ACT OF 2014**

Director Barbre advised that the Public Affairs & Legislation Committee reviewed this item, and that the Committee recommended staff send letters to both Senator Feinstein and Congressman Valadao urging them to work together and combine their drought legislation bills (S2198 and HR3964) that address California's urgent needs regarding the current water crisis, and beyond.

Upon MOTION by Director Barbre, seconded by Director Finnegan, and carried (7-0), the Board directed staff to send letters to both Senator Feinstein and Congressman Valadao urging them to work together and combine their drought legislation bills (S2198 and HR3964) that address California's urgent needs regarding the current water crisis, and beyond. Directors Barbre, Clark, Dick, Finnegan, Hinman, Osborne & Thomas voted in favor.

#### **RESOLUTION HONORING MUNICIPAL WATER DISTRICT OF ORANGE COUNTY RETIRING DIRECTOR WAYNE CLARK**

Upon MOTION by Director Hinman, seconded by Director Finnegan, and carried (6-0), the Board adopted RESOLUTION NO. 1992, honoring Director Wayne Clark for his service to the Municipal Water District of Orange County, by the following roll call vote:

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

**RESOLUTION HONORING ORANGE COUNTY WATER DISTRICT RETIRING DIRECTOR KATHRYN “KAY” BARR**

Upon MOTION by Director Barbre, seconded by Director Finnegan, and carried (7-0), the Board adopted RESOLUTION NO. 1993, honoring Kathryn “Kay” Barr for her service to the Orange County Water District, by the following roll call vote:

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

**RESOLUTION HONORING ANAHEIM METROPOLITAN DIRECTOR KRIS MURRAY**

Upon MOTION by Director Barbre, seconded by Director Finnegan, and carried (7-0), the Board adopted RESOLUTION NO. 1994, honoring Kristine “Kris” Murray for her service to the Metropolitan Water District of Southern California, by the following roll call vote:

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

**ISDOC OFFICER ELECTIONS**

Upon MOTION by Director Barbre, seconded by Director Thomas, and carried (7-0), the Board authorized President Dick to vote on behalf of MWDOC. Directors Barbre, Clark, Dick, Finnegan, Hinman, Osborne & Thomas voted in favor.

**INFORMATION CALENDAR**

**GENERAL MANAGER'S REPORT, SEPTEMBER 2014**

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

Mr. Hunter thanked the Board for their support with respect to the Orange County Reliability Study, noting that staff continues to work with the member agency managers and workgroup; he anticipates that the proposed contract will be presented to the Board in October.

Responding to an inquiry by Director Hinman, Mr. Seckel provided an overview of the proposed Amendment to the South County Pipeline Agreement as prepared by MET management staff.

Director Dick commented on the recent WEROC OA Radio and MARS radio test, noting that in the past, participation has been spotty; he requested staff update him on current participation.

Discussion ensued regarding San Clemente's Expanded Recycled Water Project, with Mr. Seckel advising that when the Doheny Desalination Project comes to fruition, the City of San Clemente will most likely support the project.

Director Dick highlighted the District's upcoming Water Policy Forum (October 2<sup>nd</sup>), noting that Mr. John Coleman (President of ACWA) would be the featured speaker; he encouraged all to attend.

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 Finnegan reported that she attended the regular MWDOC meetings, the quarterly meeting with Mesa Water, and the Center for Demographic Research meeting.

Director Osborne reported on attending the MWDOC regular Board and Committee meetings, as well as the WACO meeting.

Director Barbre reported on attending the MWDOC and MET regular meetings, as well as the WACO meeting, an E&O tour at LaVerne site, a Doheny Desalination Project tour with Karl Seckel, Heather Baez and representatives from Congresswoman's Loretta Sanchez office, a legislative trip to Sacramento with Jeff Kightlinger, as well as a breakfast meeting with candidate for Assembly, Bill Brough, and a meeting with Diane Harkey regarding special district property tax allocations. He also attended two meetings of the Ad Hoc Committee re MET Director appointment, a meeting with Rob Hunter and representatives from the City of La Habra, the Yorba Linda Water District Board meeting, the OC Taxpayers Association event "Roses & Radishes" (wherein MWDOC was nominated to receive the Transparency Award), a meeting with Aaron Grunfeld, and the retirement event for Syd Bennion (MET Assistant General Counsel). He reported on a legislative trip to Washington, DC which included a meeting with Christina Moore, minority counsel for the Environment for Public Works Committee who wrote a report entitled "Chain of Environmental Command" and he encouraged all to read. Mr. Barbre highlighted a recent study by the California State Controller regarding pension spikes, noting that MET was highlighted as an agency that resisted the urge to spike pensions.

Director Hinman reported on attending the regular MWDOC Board and Committee meetings, as well as the Laguna Beach County Water District meeting, the San Juan Basin Authority meeting, the WACO and WACO Planning Committee meetings, and a meeting with San Clemente Council Member Lori Donchak. Ms. Hinman highlighted the fact that South Coast Water District (SCWD) needs to take their groundwater treatment plant off-line for approximately 45 days due to salt water intrusion, and the City of San Juan Capistrano has taken two wells off-line on the San Juan Creek.

Director Thomas reported that he attended the MWDOC Board and Administration & Finance Committee meeting, the Community Leaders luncheon in Long Beach, the OC Water Summit Planning meetings, the Ad Hoc Committee meetings re the appointment of the MET Director, and a MET meeting.

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

Director Dick reported on attending the Public Affairs & Legislation Committee meeting, the Administration & Finance Committee meeting, the MET Caucus meeting, the MET Board and Committee meetings, a meeting with MET IT staff, and the Ad Hoc Committee meetings regarding the Administrative Code. He also reported on attending the Garden Grove Chamber Legislative Committee meeting, the Community Leaders luncheon featuring Congressman Lowenthal, a reception for MET Chair, Randy Record, the WACO Planning Committee meeting, and a meeting with Ken Khachigian regarding the Cadiz Project. Mr. Dick then highlighted events from his recent vacation abroad.

Legal Counsel Behrens then provided an overview of AB 1234, and the reporting requirements therein, noting that a report on all meetings attended must be made prior to payment for attending the meeting. He advised that AB 1234 does not require the reports to be lengthy. The length of the report is subject to the discretion of each director.

## **ADJOURNMENT**

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

Respectfully submitted,

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Maribeth Goldsby, Secretary