

**MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
April 15, 2015**

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  
Larry Dick  
Joan Finnegan (absent)  
Susan Hinman  
Wayne Osborne  
Sat Tamaribuchi  
Jeffery M. Thomas

**STAFF**

Robert Hunter, General Manager  
Karl Seckel, Assistant General Manager  
Russ Behrens, Legal Counsel  
Maribeth Goldsby, Board Secretary  
Cathy Harris, Admin. Services Manager  
Joe Berg, Water Use Efficiency Prog. Mgr.  
Heather Baez, Governmental Affairs Manager  
Harvey De La Torre, Prin. Water Res. Planner  
Darcy Burke, Director of Public Affairs

**ALSO PRESENT**

Patty Quilizapa  
Linda Ackerman  
Larry McKenney  
Ken Vecchiarelli  
Brian Ragland  
Paul Cook  
John Kennedy  
Rick Erkeneff  
Andy Brunhart  
Gary Melton  
Betsy Eglash  
Chuck Muse  
Andy Sells

Aleshire & Wynder  
MWDOC MET Director  
MWDOC MET Director  
Golden State Water Company  
City of Huntington Beach  
Irvine Ranch Water District  
Orange County Water District  
South Coast Water District  
South Coast Water District  
Yorba Linda Water District  
Brady & Associates  
ACWA/JPIA  
ACWA/JPIA

**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.

**PRESENTATION BY ACWA/JPIA REGARDING GENERAL LIABILITY PROGRAM**

Mr. Chuck Muse and Mr. Andy Sells, from ACWA/JPIA presented a check for \$73,461.31 to the District which represented a refund on MWDOC's liability insurance premiums.

**OTHER**

As the Director of Public Affairs, Darcy Burke, submitted her resignation from the District, President Dick presented a brief farewell to Ms. Burke and thanked her for her years of service; each Board member also thanked her.

Ms. Burke then provided a brief overview of the Value of Water outreach efforts.

**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 (6-0), the Board approved the Consent Calendar items as follows. Directors Barbre, Dick, Hinman, Osborne, Tamaribuchi, and Thomas voted in favor. Director Finnegan was absent.

**MINUTES**

The following minutes were approved.

- March 4, 2015 Workshop Board Meeting
- March 18, 2015 Regular Board Meeting

**COMMITTEE MEETING REPORTS**

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

- Planning & Operations Committee Meeting: March 2, 2015
- Administration & Finance Committee Meeting: February 11, 2015
- Administration & Finance Committee Meeting: March 11, 2015
- Public Affairs & Legislation Committee Meeting: January 19, 2015
- Public Affairs & Legislation Committee Meeting: February 17, 2015
- Public Affairs & Legislation Committee Meeting: March 16, 2015
- Executive Committee Meeting: March 19, 2015

**TREASURER'S REPORTS**

The following items were ratified and approved as presented.

MWDOC Revenue/Cash Receipt Register as of March 31, 2015  
MWDOC Disbursement Registers (March/April)

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 February 18, 2015

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  
February 28, 2015

**CALIFORNIA DROUGHT: CAUSES, IMPACTS AND POLICY, AGU CHAPMAN  
CONFERENCE, UCI, IRVINE, CA – APRIL 20-22, 2015**

The Board authorized attendance by Board and staff, as appropriate.

**END CONSENT CALENDAR**

**ACTION CALENDAR**

**DECLARE A REGIONAL WATER SHORTAGE IN THE MWDOC SERVICE AREA  
AND ADOPT A RESOLUTION IMPLEMENTING MWDOC'S WATER SUPPLY  
ALLOCATION PLAN**

President Dick announced that the proposal to declare a regional water shortage in the MWDOC service area and to adopt a Resolution implementing MWDOC's Water Supply Allocation Plan, was before the Board for consideration.

Mr. Dick advised that he supported the Resolution, but requested a "Whereas" be added indicating that because the State Water Project had yet to be completed, the Metropolitan Water District has lost about 1.5 million acre-feet of deliveries through the system over the past eight years.

Director Barbre suggested the PAL Committee discuss sending a letter to Governor Brown highlighting the need for desalination in California.

Upon MOTION by Director Barbre, seconded by Director Thomas, and carried (6-0), the Board (1) declared that there is a regional water shortage in the MWDOC service area; and (2) adopted RESOLUTION NO. 2011, Implementing MWDOC's Water Supply Allocation Plan (with the additional language included: Whereas, because the State Water Project had yet to be completed the Metropolitan Water District has lost about 1.5 million acre-feet of deliveries through the system over the past eight years). Said RESOLUTION NO. 2011 was adopted by the following roll call vote:

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

### **AB 603 (SALAS) RE INCOME TAXES; TURF REMOVAL TAX CREDIT**

President Dick advised that the Administration & Finance Committee (who reviewed this item on April 8<sup>th</sup>) recommended the Board defer taking a position on AB 603 (Salas) until such time as the specific terms are developed. The Board generally concurred; this item will be presented to the PAL Committee when appropriate.

## **INFORMATION CALENDAR**

### **GENERAL MANAGER'S REPORT, APRIL 2015**

General Manager Hunter advised that the General Manager's report was included in the Board packet, highlighting the Governor's Executive Order on water use, MWDOC's letter to the State Water Resources Control Board regarding the drought regulations; the Board requested a copy of this letter be emailed to the Board.

Discussion ensued regarding the drought regulations, how each retail agency will implement these regulations, and how a uniform approach would be beneficial. Director Barbre suggested the District work with those agencies who are required to cut back water usage by 35%. It was noted that an overview of the Governor's Executive Order will be presented at the upcoming Elected Officials Forum.

Director Dick suggested the PAL Committee discuss whether to ask the Governor to add a nuance on his reductions (based on municipal and industrial water usage). Director Osborne suggested a discussion be held regarding whether industries in California that use "clean" water could use reclaimed water instead.

Director Tamaribuchi suggested it would be prudent for the Southern California Water Committee weigh in on the Governor's Executive Order.

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 advised that she attended the MWDOC Board and Committee meetings, as well as the Orange County Water Association (OCWA) luncheon meeting, a meeting with the South County agencies, a meeting with Rob Zur Schmiede regarding the South Orange County Watershed Management Area IRWMP, the WACO meeting, and the El Toro Water District Recycled Water Expansion dedication in honor of Ted Martin.

Director Thomas advised that he attended MWDOC's Administration & Finance Committee, the MET Board/Committee meetings, the WACO meeting, the Public Affairs & Legislation Committee meeting, a meeting with the South County agencies, and a meeting with representatives from Santa Margarita Water District.

Director Tamaribuchi reported that he attended the MWDOC Board and Committee meetings (except the Executive Committee), the El Toro Water District Board meeting (with Karl Seckel), a meeting with the South County agencies regarding the Administrative Code, the WACO meeting, and the OCBC Infrastructure Committee meeting.

Director Osborne noted his attendance at the MWDOC Board and Committee meetings, and the WACO meeting.

Director Barbre reported on attending the MWDOC and MET regular meetings, as well as a three-day State Water Project inspection trip, a meeting with Yorba Linda Water District and Orange County Water District, the La Habra and Brea City Council meetings, the Yorba Linda Water District Board meeting, the Association of California Cities of Orange County (ACCOC) Board of Directors Installation, and the WACO meeting.

Director Dick reported on attending the MWDOC and MET regular meetings, meetings with local restaurateurs from El Pato and Giuliani's Specialty Foods (Errol Giuliani), the Orange Coast Committee, the OC Taxpayers Association meeting, the WACO meeting, the ISDOC Executive Committee meeting, the OC Water Summit Planning meeting, the ACCOC meeting, a meeting with Lisa Ohlund, a meeting with Deven Upadhyay, and the Ag Committee meeting.

Director Barbre announced that MET Director Tom Evans will be replaced by Don Galleano from Western Municipal Water District; he suggested a Resolution commemorating Mr. Evan's tenure be addressed at the next PAL Committee meeting. (for presentation at the July Water Policy Forum).

**CLOSED SESSION**

At 9:30 a.m., Legal Counsel Behrens announced that the Board would adjourn to closed session on the following matters. It was noted that Legal Counsel Quilizapa would meet with the Board on the first three matters regarding the San Diego County Water Authority/MET litigation, and that Legal Counsel Behrens would then meet with the Board on the final two 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 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

**CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**, Consider Initiation of Litigation pursuant to Paragraph (4) of subdivision (d) of Section 54956.9: (Two Cases).

**CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

Consideration of initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9 (One Case).

**RECONVENE**

At 10:00 a.m., Legal Counsel Quilizapa departed from the closed session, and announced that no reportable action was taken in closed session. Mr. Behrens then joined the closed session.

At 10:44 a.m., the Board reconvened, and Legal Counsel Behrens announced that no reportable action was taken in closed session.

**ADJOURNMENT**

There being no further business to come before the Board, President Dick adjourned the meeting at 10:45 a.m.

Respectfully submitted,

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Maribeth Goldsby, Secretary