

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
February 18, 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. Director Tamaribuchi led the Pledge of Allegiance and Secretary Goldsby called the roll.

MWDOC DIRECTORS

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

STAFF

Robert Hunter, General Manager
Karl Seckel, Assistant General Manager
Russ Behrens, Legal Counsel
Maribeth Goldsby, Board Secretary
Patrick Dinh, Network Administrator
Joe Berg, Water Use Efficiency Prog. Mgr.
Heather Baez, Governmental Affairs Manager
Darcy Burke, Director of Public Affairs
Kelly Hubbard, WEROC Programs Manager

ALSO PRESENT

Larry McKenney
Linda Ackerman
Ken Vecchiarelli
Brian Ragland
Paul Weghorst
Charles Gibson
Dennis Erdman
Bill Green
Andy Brunhart
Gary Melton
Howard Johnson

MWDOC MET Director
MWDOC MET Director
Golden State Water Company
City of Huntington Beach
Irvine Ranch 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.

Mr. Charles Gibson, Santa Margarita Water District, thanked the MWDOC and MET Board members and staff for the great experience and learning opportunity he had while attending a recent Colorado River Aqueduct inspection trip.

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.

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 pulled Item No. 6 (Approve Recommended Changes to MWDOC's Water Supply Allocation Plan).

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

MINUTES

The following minutes were approved.

January 7, 2015 Workshop Board Meeting
January 21, 2015 Regular Board Meeting

COMMITTEE MEETING REPORTS

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

Planning & Operations Committee Meeting: December 1, 2014
Planning & Operations Committee Meeting: January 5, 2015
Executive Committee Meeting: January 22, 2015
MWDOC/OCWD Joint Planning Committee Meeting: January 28, 2015

TREASURER'S REPORTS

The following items were ratified and approved as presented.

MWDOC Revenue/Cash Receipt Register as of January 31, 2015
MWDOC Disbursement Registers (January/February)

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 December 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 December 31, 2014

Quarterly Budget Review

DISTRICT CONFERENCES

American Water Works Association (AWWA) Sustainable Water Management Conference, March 15-17, 2015, Portland, Oregon

Partners in Emergency Preparedness Conference, April 14-16, 2015, Tacoma, Washington

The Board authorized attendance by Melissa Baum-Haley at the AWWA Sustainable Water Management Conference in Portland, Oregon, and authorized attendance by Kelly Hubbard at the 2015 Partners in Emergency Preparedness Conference in Tacoma, Washington.

STANDING COMMITTEE AND AD HOC COMMITTEE APPOINTMENTS FOR 2015; SCHEDULE OF COMMITTEE MEETING DATES FOR 2015

The Board ratified the list of Standing Committee and Ad Hoc Committee appointments as presented by the President of the Board and ratified the Committee meeting dates/times for 2015.

END CONSENT CALENDAR

ITEM PULLED FROM CONSENT CALENDAR FOR FURTHER DISCUSSION

APPROVE RECOMMENDED CHANGES TO MWDOC'S WATER SUPPLY ALLOCATION PLAN (WSAP)

Director Hinman requested an update on MWDOC's WSAP. Mr. Hunter advised that both Plans (MWDOC's and MET's) were shared with the member agencies, the possibility for allocations is strong (unless there is significant snow pack and rain), and that the MET Board will consider implementations at its March or April meeting. He also noted that staff informed the member agencies that staff is available for presentations, if desired.

Upon MOTION by Director Osborne, seconded by Director Hinman, and carried (6-0), the Board approved revisions to MWDOC's Water Supply Allocation Plan, which included the following major changes: (1) Update the Base Period from Calendar Years 2004 – 2006 to Fiscal Years 2012/13 and 2013/14; and (2) update the Growth Adjustment to including the average population increase for years 2013 and 2014; and (3) include a Baseline Adjustment for an agency's early enforcement of mandatory water use restrictions; and (4) change the Conservation Demand Hardening Credit calculation to a method based on an agency's per capita water use reductions; and (5) include a separate allocation for groundwater basins' imported water needs; and (6) replace the current allocation penalty rates with a cost-of-service based charge – Allocation Surcharge. Directors Barbre, Dick, Finnegan, Hinman, Osborne, and Tamaribuchi voted in favor. Director Thomas was absent.

ACTION CALENDAR

ASSOCIATION AND COMMISSION APPOINTMENTS FOR 2015

President Dick announced that the proposed appointments to the Associations and Commissions for 2015 were before the Board for consideration.

Upon MOTION by Director Finnegan, seconded by Director Osborne, and carried (6-0), the Board (1) ratified the appointment of Representatives and Alternates to Associations, as recommended by the President of the Board; and (2) adopted RESOLUTION NO. 2005 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. 2005 was adopted by the following roll call vote:

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

CONSIDER ADOPTING RESOLUTIONS CONCURRING IN NOMINATIONS TO THE ACWA/JPIA EXECUTIVE COMMITTEE

Upon MOTION by Director Finnegan, seconded by Director Barbre, and carried (6-0), the Board adopted RESOLUTION NO. 2006, Concurring in the Nomination of Paul Dorey (Vista Irrigation District), RESOLUTION NO. 2007, Concurring in the Nomination of Fred Bockmiller (Mesa Water District), and RESOLUTION NO. 2008, Concurring in the Nomination of Dennis Erdman (South Coast Water District) to the ACWA/JPIA Executive Committee, by the following roll call vote:

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

APPROVAL OF RESOLUTION DESIGNATING AUTHORIZED AGENTS AND 2014 GRANT TRANSFER AGREEMENT WITH THE CITY OF ANAHEIM AS THE LOCAL URBAN AREA SECURITY INITIATIVE (UASI) ADMINISTRATOR

Upon MOTION by Director Tamaribuchi, seconded by Director Barbre, and carried (6-0), the Board adopted RESOLUTION NO. 2009, approving the execution of the 2014 Grant Transfer Agreement with the City of Anaheim as the Local Urban Area Security Initiative (UASI) Administrator and approving the WEROC Program Manager and the General Manager as designated Authorized Agents for this grant to execute any subsequent agreements, by the following roll call vote:

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

ADOPT POSITION ON SB 143 (STONE) – DIAMOND VALLEY LAKE; RECREATIONAL USE

Upon MOTION by Director Barbre, seconded by Directors Hinman and Finnegan, and carried (6-0), the Board voted to oppose SB 143 (Stone) and send a letter to the author indicating MWDOC's opposition, and encourage MWDOC's member agencies to take similar action. Directors Barbre, Dick, Finnegan, Hinman, Osborne, and Tamaribuchi voted in favor. Director Thomas was absent.

ADOPT POSITION ON AB 1 (BROWN) – LOCAL GOVERNMENT DROUGHT FINES

Upon MOTION by Director Tamaribuchi, seconded by Director Osborne, and carried (6-0), the Board voted to support AB 1 (Brown) and send a letter to the author indicating MWDOC's support position. Directors Barbre, Dick, Finnegan, Hinman, Osborne, and Tamaribuchi voted in favor. Director Thomas was absent.

ADOPT POSITION ON AB 149 (CHAVEZ) – URBAN WATER MANAGEMENT PLANS ADOPTION DATES

Upon MOTION by Director Hinman, seconded by Director Tamaribuchi, and carried (6-0), the Board voted to support AB 149 (Chavez) and send a letter to the author indicating MWDOC's support position. Directors Barbre, Dick, Finnegan, Hinman, Osborne, and Tamaribuchi voted in favor. Director Thomas was absent.

INFORMATION CALENDAR

GENERAL MANAGER'S REPORT, FEBRUARY 2015

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

In response to a question by Director Osborne, Mr. Hunter advised that any further increases to the Table "A" Allocation by DWR is highly unlikely due to the dry-year conditions.

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 Water Policy dinner, the San Juan Capistrano Utilities Commission meeting, the WACO Planning meeting, a tour of the Doheny Desalination Project facility, and the San Juan Basin Authority meeting.

Director Tamaribuchi reported that he attended the MWDOC Board and Committee meetings, a meeting with representatives from Santa Margarita Water District, and the Water Policy dinner.

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

Director Barbre reported on attending the MWDOC and MET regular meetings, as well as a Colorado River inspection trip, an Ad Hoc Committee meeting re the Admin Code, the quarterly meeting with OCWD and Yorba Linda Water District (YLWD), the ISDOC luncheon, the WACO meeting, a meeting with Pat Scanlon (Golden State Water Company), the Water Policy dinner, a meeting with Marc Marcantonio (General Manager of Yorba Linda Water District), and a recent legislative trip to Washington, DC.

Director Dick reported on attending the MWDOC and MET regular meetings, a governance training by the California Special Districts Association, the UGMO meeting, the Ad Hoc Committee meeting re the Admin Code, the MET Executive Committee "pre-meeting," the MET Executive Committee, the Garden Grove City Mayor's State of the City meeting, a tour of the Coca-Cola facility, the Association of California Cities meeting, and the WACO Planning Committee meeting.

CLOSED SESSION

At 8:51 a.m., Legal Counsel Behrens announced that the Board would adjourn to closed session on the following matter:

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

RECONVENE

At 10:20 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 10:21 a.m.

Respectfully submitted,

Maribeth Goldsby, Secretary