

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
January 21, 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. Administrative Services Manager Cathy Harris 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 (arr at. 8:40 am)

STAFF

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

ALSO PRESENT

Larry McKenney
Patty Quilizapa
William Kahn
Steve LaMar
Paul Weghorst
Rick Erkeneff
Dennis Erdman
Bill Green
Andy Brunhart
Gary Melton
Betsy Eglash

MWDOC MET Director
Aleshire & Wynder
El Toro Water District
Irvine Ranch Water District
Irvine Ranch Water District
South Coast 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. Andy Brunhart, General Manager of South Coast Water District, thanked the Board and staff for their assistance with the Environmental Baseline Funding Agreement on the Doheny Desalination Project.

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.

General Manager Hunter advised that Item No. 9-6 (MWDOC's Legislative Priority Principles) was revised to include the recommendation by the Public Affairs & Legislation Committee and distributed to the Board (and made available to the public).

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 Item 2(a) (Planning & Operations Committee minutes) were pulled and would return to the Board in February. Mr. Dick advised that Item No. 2(d) (Executive Committee minutes) were revised to reflect Director Tamaribuchi's presence at the meeting.

Upon MOTION by Director Barbre, seconded by Director Osborne, and carried (5-0), the Board approved the balance of Consent Calendar items as follows. Directors Barbre, Dick, Hinman, Osborne, and Tamaribuchi. Directors Finnegan and Thomas were absent.

MINUTES

The following minutes were approved.

- December 3, 2014 Adjourned Workshop Board Meeting
- December 17, 2014 Board Meeting
- January 3, 2015 Special Board Meeting

COMMITTEE MEETING REPORTS

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

- Administration & Finance Committee Meeting: December 10, 2014
- Public Affairs & Legislation Committee Meeting: December 15, 2014
- Executive Committee Meeting: December 18, 2014 (revised)

TREASURER'S REPORTS

The following items were ratified and approved as presented.

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

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 November 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 November 30, 2014

DISTRICT CONFERENCE

The Board authorized attendance by Directors and such members of District staff as approved by the General Manager, at the following conference:

LAFCO's Collaborative Services Summit, February 26, 2015

DOHENY OCEAN DESALINATION PROJECT BASELINE ENVIRONMENTAL MONITORING AGREEMENT WITH SCWD/LBCWD

The Board authorized the General Manager to enter into an updated professional service agreement with Chambers Group, in association with Merkel & Associates in an amount of \$153,346 and enter into a reimbursement agreement with South Coast Water District to fully fund this work, including MWDOC staff time estimated at \$6,000.

INCREASE AUTHORIZATION FOR CDM-SMITH FOR THE ORANGE COUNTY WATER RELIABILITY STUDY

The Board authorized staff to supplement the cost authorization for the OC Water Reliability Study by \$24,000, increasing the total consultant scope of work for CDM-Smith to \$221,240.

AUTHORIZE THE GENERAL MANAGER TO DEVELOP A TEN-YEAR PURCHASE COMMITMENT WITH ORANGE COUNTY WATER DISTRICT; AND SIGN A PURCHASE ORDER WITH METROPOLITAN WATER DISTRICT

The Board authorized the MWDOC General Manager and General Counsel to develop and enter into a ten-year purchase commitment with Orange County Water District (OCWD); and sign a new ten-year Purchase Order with Metropolitan which will increase the Tier 1 maximum to 321,635 AFY and Purchase Order Commitment to 214,423 AFY; OR, in the event a purchase commitment with OCWD does not occur, authorize the General Manager and General Counsel to sign a ten-year Purchase Order with Metropolitan which maintains

the existing Tier 1 maximum of 280,592 AFY and Purchase Order Commitment of 148,616 AFY.

END CONSENT CALENDAR

ACTION CALENDAR

REORGANIZATION OF THE MWDOC BOARD OF DIRECTORS; ELECTION OF PRESIDENT AND VICE PRESIDENT

President Dick announced that the Reorganization of the MWDOC Board officers was before the Board for consideration.

Director Barbre commented that he thought the past year was successful and upon MOTION by Director Barbre, seconded by Director Tamaribuchi, and carried (5-0), the Board adopted RESOLUTION NO. 2000 re-electing Larry Dick as President, and Wayne Osborne as Vice President, by the following roll call vote:

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

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

APPOINTMENT OF SECRETARY, TREASURER(S), AND LEGAL COUNSEL

Upon MOTION by Director Barbre, seconded by Director Osborne, and carried (6-0), the Board adopted RESOLUTION NO. 2001 appointing Maribeth Goldsby as Board Secretary, Hilary Chumpitazi as Treasurer, Robert Hunter as Deputy Treasurer, Mary Snow as Alternate Deputy Treasurer, Jeff Stalvey as Alternate Deputy Treasurer, Lina Gunawan as Alternate Deputy Treasurer, and Russell G. Behrens of Best, Best & Krieger as Legal Counsel, by the following roll call vote:

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

RESTATEMENT OF DISTRICT MONEY PURCHASE PENSION PLAN AND TRUST AGREEMENT

Upon MOTION by Director Barbre, seconded by Director Osborne, and carried (6-0), the Board adopted RESOLUTION NO. 2002 approving the restatement of the the District's Money Purchase Pension Plan and Trust Agreement, as presented, by the following roll call vote:

AYES: Directors Barbre, Dick, Hinman, Osborne, Tamarabuchi and Thomas
 NOES:None

ABSENT: Director Finnegan
 ABSTAIN: None

BUREAU OF RECLAMATION WATERSMART GRANT RESOLUTION

Upon MOTION by Director Hinman, seconded by Director Barbre, and carried (6-0), the Board adopted RESOLUTION NO. 2003 in support of MWDOC's 2015 WaterSMART: Water and Energy Efficiency grant application to be submitted to the Bureau of Reclamation by January 23, 2015, by the following roll call vote:

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

EXTENSION OF FEDERAL LEGISLATIVE ADVOCACY CONTRACT WITH JAMES C. BARKER, P.C.

Upon MOTION by Director Barbre, seconded by Director Osborne, and carried (6-0), the Board approved the one-year extension to the federal advocacy contract with James C. Barker, P.C. Directors Barbre, Dick, Hinman, Osborne, Tamaribuchi and Thomas. Director Finnegan was absent.

ANNUAL REVIEW OF LEGISLATIVE POLICY PRINCIPLES

Director Barbre advised that the Public Affairs & Legislation Committee reviewed this item, made several revisions which were outlined and presented to the Board, and recommended the Board approve the Principles as revised in Committee.

Upon MOTION by Director Barbre, seconded by Director Tamaribuchi, and carried (6-0), the Board adopted the Legislative Policy Principles as presented. Directors Barbre, Dick, Hinman, Osborne, Tamaribuchi and Thomas. Director Finnegan was absent.

ISDOC EXECUTIVE COMMITTEE ELECTION FOR 3RD VICE PRESIDENT

Upon MOTION by Director Barbre, seconded by Director Tamaribuchi, and carried (6-0), the Board adopted RESOLUTION NO. 2004 authorizing Joan Finnegan to cast the District's vote for ISDOC Executive Committee member at the January 29, 2015 ISDOC meeting, and authorizing either Brett Barbre or Sat Tamaribuchi as alternate Board members to cast the District's vote at said meeting in the absence of Joan Finnegan. Said RESOLUTION NO. 2004 was adopted by the following roll call vote:

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

INFORMATION CALENDAR**GENERAL MANAGER'S REPORT, JANUARY 2015**

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

Mr. Hunter highlighted that due to the current water supply and drought conditions, the MET Board may consider implementing water allocations. More information on this subject will be provided in the coming months.

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 WACO meeting, a meeting with representatives from the Discovery Science Center, the OCWD Board meeting re Poseidon issues, a meeting with the new San Clemente City Council member as well as the San Clemente City Council meeting, the Moulton Niguel Water District Board meeting, a meeting with South Coast Water District staff, and a tour of the Stem Cell Research Center at UCI.

Director Thomas noted that he attended the MWDOC Special Board meeting on January 3rd, the MET meetings, and meetings of the OC Water Summit Ad Hoc Committee.

Director Tamaribuchi reported that he attended the MWDOC Board and Committee meetings, the WACO meeting, and a meeting with Bob Hill and Scott Goldman (El Toro Water District) wherein he toured their facilities.

Director Osborne noted his attendance at the MWDOC Board and Committee meetings, including the Special Meeting on January 3rd.

Director Barbre reported on attending the MWDOC and MET regular meetings, as well as a the quarterly meeting with OCWD and Yorba Linda Water District (YLWD), legislative candidates meetings, and a legislative trip to Washington, DC.

Director Dick reported on attending the MWDOC and MET regular meetings, including the Special Board meeting on January 3rd, as well as a meeting with Brian Thomas, several Urban Water Institute conference planning meetings, a meeting with Senator Huff, the ISDOC Executive Committee meeting, the MET Caucus meeting, the WACO Planning meeting, and the OC Water Summit Planning meeting.

CLOSED SESSION

At 8:52 a.m., Legal Counsel Behrens announced that the Board would not meet in closed session regarding anticipated litigation (as agendized), however the Board would adjourn to closed session for the following matters:

12. 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.

13. 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.

14. 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

RECONVENE

At 10:26 a.m., the Board reconvened and Legal Counsel Quilizapa 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 10:27 a.m.

Respectfully submitted,

Maribeth Goldsby, Secretary