

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
June 17, 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. Legal Counsel Jeff Dunn led the Pledge of Allegiance and Secretary Goldsby called the roll.

MWDOC DIRECTORS

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

STAFF

Robert Hunter, General Manager
Karl Seckel, Assistant General Manager
Jeff Dunn, Legal Counsel
Maribeth Goldsby, Board Secretary
Harvey De La Torre, Prin. Water Res. Planner
Cathy Harris, Admin. Services Manager
Heather Baez, Government Affairs Manager
Joe Berg, Water Use Eff. Programs Mgr.
Michelle Tuchman

ALSO PRESENT

Miles Hogan
Linda Ackerman
Larry McKenney
William Kahn
Ken Vecchiarelli
Paul Weghorst
John Kennedy
Ray Miller
Dennis Erdman
Rick Erkeneff
Andy Brunhart
Gary Melton
Betsy Eglash

Aleshire & Wynder
MWDOC MET Director
MWDOC MET Director
El Toro Water District
Golden State Water Company
Irvine Ranch Water District
Orange County Water District
City of San Juan Capistrano
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.

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.

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

MINUTES

The following minutes were approved.

- May 4, 2015 Special Board Meeting
- May 6, 2015 Adjourned Workshop Board Meeting
- May 20, 2015 Regular Board Meeting

COMMITTEE MEETING REPORTS

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

- Planning & Operations Committee Meeting: May 4, 2015
- Administration & Finance Committee Meeting: May 13, 2015
- Special Public Affairs & Legislation Committee Meeting: May 4, 2015
- Public Affairs & Legislation Committee Meeting: May 18, 2015
- Executive Committee Meeting: May 21, 2015

TREASURER'S REPORTS

The following items were ratified and approved as presented.

- MWDOC Revenue/Cash Receipt Register as of May 31, 2015
- MWDOC Disbursement Registers (May/June)

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 April 30, 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 April 30, 2015

APPROVE COMMEMORATIVE RESOLUTION HONORING DON CALKINS

The Board approved the honorary resolution for Don Calkins on his retirement from the City of Anaheim, and directed staff to prepare the resolution for presentation at the upcoming MWDOC Water Policy Dinner on July 29, 2015.

CONTINUANCE OF PROFESSIONAL SERVICES CONTRACT WITH TUCHMAN COMMUNICATIONS

The Board approved continuing the services with Tuchman Communications and authorized the General Manager to enter into a professional services contract for the period July 1, 2015 to September 4, 2015, for an amount not to exceed \$40,000.

END CONSENT CALENDAR

ACTION CALENDAR

TURF REMOVAL PROGRAM REBATE PROCESSING PLATFORM

President Dick advised that the proposal to enter into a contract with Droplet Technologies for the Turf Removal Program rebate processing platform was before the Board for consideration.

Upon MOTION by Director Osborne, seconded by Director Hinman, and carried (6-0), the Board authorized the General Manager to enter into annual contracts with Droplet Technologies for the next three years at a total cost not to exceed \$139,642. Directors Dick, Finnegan, Hinman, Osborne, Tamaribuchi and Thomas voted in favor. Director Barbre was absent.

METROPOLITAN WATER CONSERVATION FUNDING AGREEMENT AND U.S. BUREAU OF RECLAMATION FIELD SERVICES AGREEMENT

Upon MOTION by Director Hinman, seconded by Director Finnegan, and carried (6-0), the Board authorized the General Manager to sign (1) amendments to Metropolitan's Water Conservation Funding Agreements extending the terms an additional 10 years, to June 30, 2015; and (2) a Field Services Agreement with the U.S. Bureau of Reclamation for

California Friendly Technical Design Assistance Program. Directors Dick, Finnegan, Hinman, Osborne, Tamaribuchi and Thomas voted in favor. Director Barbre was absent.

ADOPT AMENDED AND RESTATED ADMINISTRATIVE CODE

President Dick advised that the proposal to adopt the Amended and Restated Administrative Code was before the Board for consideration.

Upon MOTION by Director Thomas, seconded by Director Finnegan, and carried (6-0), the Board adopted the Amended and Restated Administrative Code, with changes recommended by the Directors assigned to meet with the South County representatives. Directors Dick, Finnegan, Hinman, Osborne, Tamaribuchi and Thomas voted in favor. Director Barbre was absent.

ADOPT RESOLUTION NOMINATING LARRY MCKENNEY AS VICE CHAIR OF THE ACWA REGION 10 BOARD OF DIRECTORS

Upon MOTION by Director Tamaribuchi, seconded by Director Thomas, and carried (6-0), the Board adopted RESOLUTION NO. 2015, nominating MWDOC MET Director Larry McKenney as Vice Chair of the ACWA Region 10 Board of Directors. Said RESOLUTION NO. 2015 was adopted by the following roll call vote:

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

AMENDMENTS TO MONEY PURCHASE PENSION PLAN

Upon MOTION by Director Thomas, seconded by Director Finnegan, and carried (6-0), the Board adopted RESOLUTION NO. 2016, approving the proposed amendments to the District's Money Purchase Pension Plan, by the following roll call vote:

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

OCWD WILDLIFE EXHIBIT

President Dick advised that the Public Affairs & Legislation Committee discussed this item and recommended that staff write a letter to Orange County Water District (OCWD) asking the OCWD Board to defer this item for 30-days, to allow MWDOC time to review the proposal, and convene the MWDOC/OCWD Building Committee.

Following discussion, and upon MOTION by Director Finnegan, seconded by Director Thomas, and carried (6-0), the Board directed the General Manager to submit a letter to the OCWD Board asking for a 30-day delay in considering this matter, and directed staff to

arrange a MWDOC/OCWD Building Committee meeting. Directors Dick, Finnegan, Hinman, Osborne, Tamaribuchi and Thomas voted in favor. Director Barbre was absent.

INFORMATION CALENDAR

GENERAL MANAGER'S REPORT, JUNE 2015

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

Responding to an inquiry from Director Tamaribuchi, Mr. Hunter advised that due to heavy rainfall, California will not be impacted on any shortage on the Colorado River in the near future.

Director Tamaribuchi requested a presentation on the Orange County Groundwater Management Plan be made at an upcoming meeting.

The Board held discussion regarding outreach efforts relating to the drought and whether to participate in the Orange County Fair. Mr. Hunter advised that staff would review all of MWDOC's opportunities for outreach, as well as a larger presence at the Fair.

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 MWDOC Planning & Operations (P&O), Public Affairs & Legislation (PAL), and Administration & Finance (A&F) Committee meetings, as well as the ISDOC Executive Committee meeting, and the WACO Planning Committee meeting.

Director Osborne advised that he attended the MWDOC Executive, P&O, PAL, and A&F Committee meetings, as well as the WACO meeting.

Director Hinman advised that she attended the OC Water Summit, a presentation by Fran Spivey-Weber at Moulton Niguel Water District, a meeting with Supervisor Bartlett, Rick Erkeneff, and Joe Berg regarding saving water in South Orange County, the MWDOC Board and Committee meetings, the Women in Water breakfast, and the San Juan Basin Authority meeting.

Director Thomas reported on his attendance at the WACO meeting, the P&O, PAL and A&F Committee meetings, the MWDOC Board meeting, the OC Water Summit, and a meeting with representatives from WaterSmart. He noted a presentation he made at the Orange

Rotary Club, and that he would be attending the Santiago Aqueduct Commission meeting, as well as a meeting with Patricia Bates.

Director Tamaribuchi reported that he attended the MWDOC Board and Committee meetings (with the exception of PAL), the WEROC Surf Quake exercise, the MWDOC/OCWD Building Committee meeting, a meeting at Moulton Niguel Water District, and the WACO meeting. He also referenced the Save Water Expo held in Anaheim.

Director Dick provided a written report on the meetings he attended and asked the Board Secretary to memorialize the meetings in the minutes. These meetings included the MET Executive Committee meeting, the Urban Water Institute meeting, a meeting with Brian Thomas, the OC Taxpayers Association meeting, the South Orange County Economic Coalition meeting, the P&O meeting, the ISDOC meeting, a meeting with representatives from East Orange County Water District, the MWDOC Workshop Board meeting, the MWDOC pre-caucus meeting, the PAL Committee meeting, the WACO meeting, and the Serrano Water District Board meeting.

CLOSED SESSION

At 9:42 a.m., Legal Counsel Dunn announced that the Board would adjourn to closed session on the following matters. It was noted that Legal Counsel Hogan would meet with the Board on the first three matters regarding the San Diego County Water Authority/MET litigation, and Mr. Dunn would confer 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 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 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

RECONVENE

At 9:25 a.m., the Board reconvened and Legal Counsel Hogan announced that the Board unanimously approved that the General Manager execute the conflict waiver letter submitted by MET regarding Ms. Patricia Quilizapa's (MWDOC's former legal counsel on the MET/San Diego litigation) current employment with MET.

RETURN TO CLOSED SESSION

At 9:26 a.m., the Board returned to closed session for a conference with Legal Counsel Dunn, on the following matters:

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 9:35 a.m., Legal Counsel Dunn 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 9:37 a.m.

Respectfully submitted,

Maribeth Goldsby, Secretary