

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
November 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. South Coast Water District Director Dennis Erdman 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 (absent)

STAFF

Robert Hunter, General Manager
Karl Seckel, Assistant General Manager (absent)
Joe Byrne, Legal Counsel
Maribeth Goldsby, Board Secretary
Cathy Harris, Admin. Services Manager
Heather Baez, Government Affairs Manager
Jonathan Volzke, Public Affairs Manager
Melissa-Baum Haley, WUE Prog. Specialist
Harvey De La Torre, Associate General Mgr.
Richard Bell, Principal Engineer

ALSO PRESENT

Larry McKenney
Linda Ackerman
William Kahn
Rick Erkeneff
Dennis Erdman
Andy Brunhart
Mark Marcantonio
Richard Eglash
Syrus Devers
Miles Hogan
Stephen Onstot

MWDOC MET Director
MWDOC MET Director
El Toro Water District
South Coast Water District
South Coast Water District
South Coast Water District
Yorba Linda Water District
Brady & Associates
Best, Best & Krieger
Aleshire & Wynder
Aleshire & Wynder

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 public 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 added to the agenda.

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.

President Dick advised that the October 14, 2015 Administration & Finance Committee meeting report had been revised, distributed to the Board, and made available to the public.

ACKNOWLEDGEMENT OF RICHARD BELL ON THE OCCASION OF HIS RETIREMENT

President Dick, along with General Manager Hunter and the entire Board, presented Richard Bell with a Proclamation congratulating him on his upcoming retirement, acknowledging him for his twelve years of service to MWDOC, and thanking him for his leadership, foresightedness, vision, stewardship and contributions in enhancing southern California's water reliability through his 49 years of experience to the water community.

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 2b (Administration & Finance Committee meeting report) had been revised to clarify SMWD Director Chuck Gibson's comments regarding SB 555 and that these comments had been incorporated into the report presented. Mr. Dick advised that item 2e (MWDOC/OCWD Joint Planning Committee meeting report) were also 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 Consent Calendar items (as revised) as follows. Directors Barbre, Dick, Hinman, Osborne, and Tamaribuchi voted in favor. Directors Finnegan and Thomas were absent.

MINUTES

The following minutes were approved.

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

COMMITTEE MEETING REPORTS

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

Planning & Operations Committee Meeting: October 5, 2015
Administration & Finance Committee Meeting: October 14, 2015 (as revised)
Public Affairs & Legislation Committee Meeting: October 19, 2015
Executive Committee Meeting: October 22, 2015
MWDOC/OCWD Joint Planning Committee Meeting: October 28, 2015 (as revised)

TREASURER'S REPORTS

The following items were ratified and approved as presented.

MWDOC Revenue/Cash Receipt Register as of October 31, 2015
MWDOC Disbursement Registers (October/November)

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 September 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
September 30, 2015

Quarterly Budget Review

**AMWA'S INTERNATIONAL WATER AND CLIMATE FORUM ON DECEMBER 8-9,
2015, SAN DIEGO**

The Board authorized the General Manager's attendance at the AMWA International Water and Climate forum on December 8-9, 2015 in San Diego.

**SCOPE OF WORK FOR PHASE 1 EXTENSION OF THE OC WATER
RELIABILITY STUDY**

The Board authorized the General Manager to augment the CDM-Smith OC Water Reliability Study Scope of Work and fee estimate by \$40,935 for the Phase 1 Extension as outlined in the scope of work.

**ADOPT POLICY FOR CONTRIBUTIONS TO THE HEALTH SAVINGS ACCOUNTS
(HSA) FOR THE HIGH DEDUCTIBLE HEALTH PLAN**

The Board authorized the policy pertaining to contributions to the HSA, as follows:

"For employees enrolled in the Consumer Driven Health Plan (CDHP), the District will deposit contributions, based on the amount approved by the Board, into the employee's HSA on the first payroll in January for employees enrolled in a CDHP; switched to the CDHP during open enrollment; or is hired in January. Employees hired after January will receive a pro-rated initial contribution to their HSA.

Employees already enrolled in an HSA and have increased coverage during the calendar year will receive partial proration, not to exceed maximum tier contribution.

The MWDOC Board of Directors reserves the right to review, revise and alter the District's contributions to HSAs, depending on the cost of the program and the fiscal condition of the District."

END CONSENT CALENDAR

ACTION CALENDAR

ADOPT RESOLUTION IN ACCORDANCE WITH THE CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM (CALPERS) FOR THE POST-RETIREMENT EMPLOYMENT OF RICHARD BELL IN ACCORDANCE WITH GOVERNMENT CODE SECTION 7522.56 AND 21221 (h)

Upon MOTION by Director Barbre, seconded by Director Hinman, and carried (5-0), the Board adopted RESOLUTION NO. 2019 approving an exception to the 180-day waiting period for the post-retirement employment of Richard Bell and appointing Richard Bell to the position of Principal Engineer on an interim basis in accordance with Government Code Section 7522.56 and 2122(h). The Board also authorized the General Manager as the authorized District Representative, to execute the Retiree Employment Agreement. Said RESOLUTION NO. 2019 was adopted by the following roll call vote:

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

SELECTION OF A FIRM FOR LEGISLATIVE ADVOCACY SERVICES IN SACRAMENTO

It was noted that the Public Affairs & Legislation Committee discussed this matter and recommended the Board approve a contract with Best, Best & Krieger (BBK) for legislative advocacy services in Sacramento. President Dick noted that although he and the District have had a productive many years working with Townsend Public Affairs (TPA) and has been well served by them, it would be prudent to accept the staff and Committee recommendation to move forward with BBK; he thanked TPA for their service.

Upon MOTION by Director Barbre, seconded by Director Tamaribuchi, and carried (5-0), the Board authorized the General Manager to enter into a professional services contract with Best, Best & Krieger to provide state legislative advocacy services. Directors Barbre, Dick, Hinman, Osborne and Tamaribuchi voted in favor.

SELECTION OF A FIRM FOR LEGISLATIVE ADVOCACY SERVICES IN WASHINGTON, DC

Upon MOTION by Director Barbre, seconded by Director Hinman, and carried (5-0), the Board authorized the General Manager to enter into a professional services contract with James D. Barker to provide federal legislative advocacy services. Directors Barbre, Dick, Hinman, Osborne and Tamaribuchi voted in favor.

MWDOC LEGISLATIVE POLICY PRINCIPLES ANNUAL UPDATE

Director Barbre advised that the Public Affairs & Legislation Committee recommended this item be referred back to the Committee in December for further discussion; the Board generally concurred.

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) BYLAW AMENDMENTS AND ELECTION OF ACWA PRESIDENT AND VICE PRESIDENT

Director Barbre stated that the Public Affairs & Legislation Committee reviewed the amendments to ACWA's Bylaws and recommended the Board vote in favor. He also stated that the Committee recommended Director Osborne be designated as voting representative (with Directors Thomas and Hinman as alternates) to cast the District's ballot at the upcoming conference.

Upon MOTION by Director Barbre, seconded by Director Hinman, and carried (5-0), the Board approved the proposed revisions to ACWA's Bylaws, and authorized Vice President Osborne, or in his absence, Directors Thomas or Hinman, to cast the District's ballot supporting the revisions to ACWA's Bylaws, and voting for Kathleen Tiegs for ACWA President, and Brent Hastey for Vice President. Directors Barbre, Dick, Hinman, Osborne, and Tamaribuchi voted in favor.

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

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

Mr. Hunter reported on several matters not included in the report, namely (1) a recent meeting he had with the Grand Jury, noting he gave a presentation on water issues (2) the District received a Certificate of Special Congressional Recognition from Mimi Walters for the District's USEPA Water Sense Excellent award; and (3) an update on the Secondary Assignment of Surplus Water to OCWD, noting it should all be delivered by December 3rd and that he anticipates additional water will become available.

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 Barbre reported on attending most of the MWDOC and MET regular meetings, as well as a meeting with Scott Maloni, the ISDOC luncheon, the Yorba Linda Water District's (YLWD) Citizen's Advisory Committee meeting, YLWD strategy sessions and rate hearing, a meeting with Senator John Moorlach, the WACO meeting, and a MET inspection trip. Mr. Barbre also attended several interviews (over two days) to select the District's State Legislative Advocate.

Director Osborne advised that he attended the MWDOC Board and Committee meetings, as well as the Elected Officials Forum, the WACO meeting, the ISDOC luncheon, the MWDOC/OCWD Joint Planning Committee meeting, and a planning meeting for the OC Water Summit. Mr. Osborne also attended Ad Hoc Committee meetings to review the RFPs for both the State and Federal Legislative Advocates, and he attended several interviews (over two days) to select the advocate.

Director Tamaribuchi noted his attendance at the MWDOC Board and Committee meetings, the Southern California Water Committee's annual dinner, the WACO meeting, the Elected Officials Forum, the OCBC Infrastructure Committee meeting, and both the Ad Hoc Committees and interviews to select the State Legislative Advocate.

Director Hinman reported on her attendance at the Board and Committee meetings, the SMWD's SMWD Gobernadora Multipurpose Basin Dedication, South Orange County Watershed Management Area Executive Committee meeting, the Laguna Beach County Water District meeting, the Elected Officials Forum, the WACO Planning Committee and WACO meetings, the SCWD board meetings, and the South Orange County Economic Coalition meeting.

In addition to attending the MWDOC and MET meetings, Director Dick advised he attended the Elected Officials Forum, the OC Water Summit planning meeting, the MET pre-Executive Committee meeting, the EOCWD Board meeting, an agricultural inspection trip, the ISDOC Executive Committee meeting, a meeting with Dick Ackerman, the MET Caucus, the WACO Planning and WACO meetings, the South Orange County Economic Coalition meeting, a meeting with SMWD Director Chuck Gibson re South County issues, the Serrano Water District Board meeting, and the Urban Water Institute Planning meetings.

CLOSED SESSION

At 9:04 a.m., and upon MOTION by Director Barbre, seconded by Tamaribuchi, and carried (5-0), the Board adjourned to closed sessions on the following items. Legal Counsel Byrne announced that the Board would adjourn to closed session as follows:

Due to a conflict, Mr. Byrne noted that Legal Counsel Stephen Onstot and Miles Hogan would attend the following closed session items relating to MET/SDCWA litigation:

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., former 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., former Los Angeles Superior Court, Case No. BC547139, transferred on December 2, 2014, to San Francisco Superior Court, Case No. CPF-14-514004.

At 10:19 a.m., Mr. Hogan announced that no reportable action was taken in closed session and he departed. Legal Counsel Byrne then joined the closed session on the following matters:

CONFERENCE WITH LEGAL COUNSEL—INITIATION OF LITIGATION

Significant exposure to litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: (1 case)

CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION

Initiation of Litigation Pursuant to Paragraph (4) of Subdivision (d) of Section 54956.9 (1 case)

RECONVENE

The Board reconvened at 11:14 a.m., and Legal Counsel Byrne 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 11:15 a.m.

Respectfully submitted,

Maribeth Goldsby, Secretary