

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
February 17, 2016**

At 8:30 a.m. President Osborne 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 Russ Behrens 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

STAFF

Robert Hunter, General Manager
Karl Seckel, Assistant General Manager
Russ Behrens, Legal Counsel
Maribeth Goldsby, Board Secretary
Harvey De La Torre, Associate General Mgr.
Jonathan Volzke, Public Affairs Manager
Joe Berg, Dir. of Water Use Eff. Programs
Kelly Hubbard, WEROC Programs Manager

ALSO PRESENT

Larry McKenney
Linda Ackerman
William Kahn
Andrew Hamilton
John Kennedy
Ray Miller
Rich Erkeneff
Dennis Erdman
Gary Melton
Richard Eglash

MWDOC MET Director
MWDOC MET Director
El Toro Water District
Mesa Water
Orange County Water District
San Juan Capistrano
South Coast Water District
South Coast Water District
Yorba Linda Water District
Brady & Associates

PUBLIC PARTICIPATION/PUBLIC COMMENT

President Osborne 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. Osborne asked whether there were any comments on other items which would be heard at this time.

Ms. Maria Lanser, a high school student from Brea Olinda High School, thanked the Board for providing the high school Education Program, stating she has learned much from the program and is highly appreciative for the opportunity.

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.

It was noted that staff distributed an updated copy of the write up for Item 10-5 (SB 163/Hertzberg, Wastewater Treatment, Recycled Water) which reflects the Public Affairs & Legislation Committee recommendation.

CONSENT CALENDAR

President Osborne stated all matters under the Consent Calendar would be approved by one MOTION unless a Director wished to consider an item separately.

Director Barbre requested that his vote be reflected as “opposed” on Item 8 (2015/2016 Value of Water Choice Communications Plan). Upon MOTION by Director Thomas, seconded by Director Finnegan, and carried (7-0), the Board approved the Consent Calendar items as follows. Directors Barbre, Dick, Finnegan, Hinman, Osborne, Tamaribuchi, and Thomas voted in favor of items 1-7, and 9; and Directors Dick, Finnegan, Hinman, Osborne, Tamaribuchi & Thomas voted in favor of Item 8, with Director Barbre opposing.

MINUTES

The following minutes were approved.

- January 6, 2016 Workshop Board Meeting
- January 9, 2016 Special Board Meeting
- January 13, 2016 Special Board Meeting
- January 20, 2016 Regular Board Meeting

COMMITTEE MEETING REPORTS

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

- Planning & Operations Committee Meeting: January 4, 2016
- Administration & Finance Committee Meeting: January 13, 2016
- Public Affairs & Legislation Committee Meeting: January 18, 2016
- Executive Committee Meeting: January 21, 2016
- MWDOC/OCWD Joint Planning Committee Meeting: January 27, 2016

TREASURER'S REPORTS

The following items were ratified and approved as presented.

- MWDOC Revenue/Cash Receipt Register as of January 31, 2016
- 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, 2016

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, 2016
Quarterly Budget Report

APPROVAL OF HOMELAND SECURITY GRANT PROJECT TO PURCHASE FUEL TRAILERS AND GENERATOR QUICK CONNECTIONS

The Board authorized staff to proceed with the Homeland Security Grant projects to purchase fuel trailers and generator quick connections. Staff will come back to the Board for any purchase award greater than \$25,000.

AUTHORIZATION OF PHASE 2 SCOPE OF WORK FOR CDM-SMITH

The Board authorized the General Manager to increase the CDM-Smith Scope of Work by \$131,080, as outlined in the Scope of Work presented. (This would bring the CDM Authorization to \$425,275 since the beginning of this effort.)

**STANDING COMMITTEE AND AD HOC COMMITTEE APPOINTMENTS FOR 2016;
SCHEDULE OF COMMITTEE MEETING DATES FOR 2016**

The Board (1) ratified the list of Standing Committee and Ad Hoc Committee appointments as presented; and (2) ratified the Committee meeting dates/times for 2016.

2015-2016 VALUE OF WATER CHOICE COMMUNICATIONS PLAN

The Board approved the *Orange County Register* contract. (Director Barbre opposed).

2015-2016 CONSUMER CONFIDENCE REPORTS

The Board approved the contracting with Stetson Engineering at a cost not to exceed \$35,000 for preparation of the Consumer Confidence Reports for 2016.

END CONSENT CALENDAR

ACTION CALENDAR

ASSOCIATION AND COMMISSION APPOINTMENTS FOR 2016

President Osborne announced that the proposed appointments to the Associations and Commissions for 2016 were before the Board for consideration.

Upon MOTION by Director Barbre, seconded by Director Thomas, and carried (7-0), 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. 2025 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. 2025 was adopted by the following roll call vote:

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

Director Hinman requested staff follow up with her on when the Southern California Water Committee meetings are held.

APPROVAL OF RESOLUTION DESIGNATING AUTHORIZED AGENTS FOR 2015-2018 FY GRANT TRANSFER AGREEMENTS FOR HOMELAND SECURITY GRANTS

Upon MOTION by Director Hinman, seconded by Director Thomas, and carried (7-0), the Board adopted RESOLUTION NO. 2026 approving the execution of the 2015 Grant Transfer Agreement with the City of Santa Ana as the Local Urban Area Security Initiative (UASI) Administrator, approving the WEROC Program Manager and the General Manager as designated Authorized Agents for FY 2015-2018 Homeland Security Grants, and authorizing the execution of any subsequent agreements related to the Homeland Security Grants. Staff will return to the Board for a purchase award in the event the award is greater than \$25,000.

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

RESTATEMENT OF MUNICIPAL WATER DISTRICT OF ORANGE COUNTY MONEY PURCHASE PENSION PLAN AND SUBMISSION TO INTERNAL REVENUE SERVICE

Upon MOTION by Director Barbre, seconded by Director Finnegan, and carried (7-0), the Board (1) adopted RESOLUTION NO. 2027 approving the restatement of the Municipal Water District of Orange County Money Purchase Pension Plan (“Plan”), effective January 1, 2016; (2) authorized the General Manager to execute the restated Plan document; (3) authorized the General Manager to give power of attorney to and instruct Best, Best & Krieger LLP (“BBK”) to submit the Plan to the Internal Revenue Service (“IRS”) for a determination regarding the Plan’s qualified status and pay

the required amounts for the filing; and (4) authorized the General Manager to give power of attorney to and instruct BBK to submit an application under the IRS' voluntary correction program to correct certain required amendments and pay the required amounts for the filing.

Said RESOLUTION NO. 2027 was adopted by the following roll call vote:

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

AUTHORIZE ATTENDANCE AT CALIFORNIA SPECIAL DISTRICTS ASSOCIATION LEGISLATIVE DAYS, MAY 17-18, 2016, SACRAMENTO

Upon MOTION by Director Barbre, seconded by Director Dick, and carried (7-0), the Board authorized attendance for one staff member and one Board member to attend CSDA's Legislative Days on May 17-18, 2016. Directors Barbre, Dick, Finnegan, Hinman, Osborne, Tamaribuchi & Thomas voted in favor.

SB 163 (HERTZBERG) – WASTEWATER TREATMENT, RECYLED WATER

Director Barbre announced that the Public Affairs & Legislation Committee recommended no action be taken on SB 163 (Hertzberg); the Board concurred.

AB 1713 (EGGMAN) – SACRAMENTO SAN JOAQUIN DELTA, PERIPHERAL CANAL

Upon MOTION by Director Barbre, seconded by Director Thomas, and carried (7-0), the Board voted to "Oppose" AB 1713 (Eggman), sign on to Metropolitan Water District's coalition letter, and authorized sending a separate letter to the author and members of the Orange County delegation indicating our opposition. Directors Barbre, Dick, Finnegan, Hinman, Osborne, Tamaribuchi & Thomas voted in favor.

SB 814 (HILL) – DROUGHT: EXCESSIVE WATER USE: URBAN RETAIL WATER SUPPLIERS

Upon MOTION by Director Barbre, seconded by Director Hinman, and carried (7-0), the Board voted to adopt an "Oppose unless Amended" position on SB 814 (Hill). Directors Barbre, Dick, Finnegan, Hinman, Osborne, Tamaribuchi & Thomas voted in favor.

RESOLUTION FOR EAST ORANGE COUNTY WATER DISTRICT DIRECTOR WILLIAM VANDERWERFF

Upon MOTION by Director Dick, seconded by Directors Barbre and Finnegan, and carried (7-0), the Board adopted RESOLUTION NO. 2028 honoring Director William Vanderwerff for his service to the OC water community, by the following roll call vote:

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

ABSENT: None
ABSTAIN: None

INFORMATION CALENDAR

GENERAL MANAGER'S REPORT, FEBRUARY 2016

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

Mr. Hunter announced that pursuant to the Board's request, he contacted each elected official within MWDOC's service area for input on the Rate Study.

Responding to an inquiry from Director Dick, Mr. Hunter provided an overview of his recent personal trip to Flint, Michigan, regarding the water crisis.

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 Dick advised that he attended the MWDOC Executive, Administration & Finance, and Planning & Operations Committees, as well as the ISDOC Executive Committee meeting, a meeting with Director Galleano (MET), a meeting with farmers from the Central Valley, the MET Caucus, the WACO and WACO Planning meetings, the MET Board and Committee meetings, the Special Board meeting with South County agencies, and the Water Policy dinner.

Director Finnegan noted her attendance at the MWDOC Board and Committee meetings (Workshop Board, Planning & Operations, Administration & Finance, Public Affairs & Legislation, and Executive Committee meetings), as well as the ISDOC Executive Committee meeting, the WACO Planning meeting, and the Special Board meeting with South County agencies.

Director Barbre reported on attending all of the MWDOC and MET regular and meetings, as well as the Yorba Linda Water District Special Board meeting, the Water Policy dinner featuring Felicia Marcus, the ad hoc committee with Yorba Linda Water District and OCWD, the ISDOC luncheon, a Diemer tour of Mission Elementary School, a meeting with Al Mendez regarding CRA inspection trip, the WACO meeting, and a meeting with the MET Chairman of the Board, the Chief Financial Officer, the General Manager, and the Auditor.

Director Tamaribuchi noted his attendance at all the MWDOC Committee and Board meetings, the Water Policy dinner, the WACO meeting (February 5th), and the Urban Water Institute conference (February 10-12).

Director Thomas stated that he attended the MWDOC Board meeting, the Administration & Finance Committee meeting, and the Special Board meeting with South County agencies. Mr. Thomas advised that he would be attending the Orange County Business Council meeting on February 18, 2016.

Director Hinman reported on attending the Administration & Finance and Public Affairs & Legislation Committee meetings, the South Orange County Recycled Water Summit, the Water Policy Planning meeting, the South Orange County Watershed Executive Committee meeting, the WACO and WACO Planning meetings, the San Juan Basin Authority meeting (February 9), and the Special Board meeting with South County. She advised that she would be attending the San Juan Hills Water presentation (February 22), and some elementary school water presentations later in the month.

Director Osborne reported on attending the Board and Committee meetings, Water Policy dinner, the ISDOC luncheon, the WACO meeting, the Special Board meeting with South County, as well as the OC Water Summit planning meetings.

ADJOURNMENT

There being no further business to come before the Board, President Osborne adjourned the meeting at 9:09 a.m.

Respectfully submitted,

Maribeth Goldsby, Secretary