

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
March 16, 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. Director Hinman 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

STAFF

Robert Hunter, General Manager
Karl Seckel, Assistant General Manager
Ruben Duran, Legal Counsel
Maribeth Goldsby, Board Secretary
Harvey De La Torre, Associate General Mgr.
Laura Loewen, Public Affairs Assistant
Joe Berg, Dir. of Water Use Eff. Programs

ALSO PRESENT

Larry McKenney
Linda Ackerman
Bill VanderWerff
Lisa Ohlund
William Kahn
Brian Ragland
Doug Reinhart
Andy Brunhart
Gary Melton
Kelly Rowe
Richard Eglash
Benjamin Franklin Parker

MWDOC MET Director
MWDOC MET Director
East Orange County Water District
East Orange County Water District
El Toro Water District
City of Huntington Beach
Irvine Ranch Water District
South Coast Water District
Yorba Linda Water District
Water Resource Consultant
Brady & Associates
Yorba Linda Water District Customer

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.

Mr. Kelly Rowe, a water resources consultant and hydrogeologist, commented on the San Juan Basin Authority (SJBA) Facilities Management Plan and the geologic formation of the SESPE, noting that with engineering work (drilling boreholes, etc.) the SESPE could be used as an aquifer and approximately 50,000 acre-feet of groundwater could be stored in said aquifer. He noted that this could provide a great opportunity and resource in Orange County. He encouraged the MWDOC Board and staff to discuss this issue with both Santa Margarita Water District and the SJBA. Director Barbre asked whether such a project could be submitted through MET's Foundational Action Plan, with staff advising that it could not because it's currently research oriented at this point.

Mr. Ben Parker (Yorba Linda resident), referenced the District's Water Rates Survey booklet which was last published in 2013, stating that the booklet was very helpful (with respect to rate increases) and encouraged MWDOC to resume publishing them. Mr. Hunter advised that staff discontinued the booklet because it did not provide a full view of the cost of water. Director Barbre advised that the District is currently conducting a rate study and more information would be available upon its completion. It was agreed that Mr. Parker would confer with Mr. Barbre following the meeting.

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

Director Hinman requested that her vote be reflected as an abstention on Item 1(a) (Minutes from the February 3, 2016 Workshop Board meeting because she was absent from the meeting.

Upon MOTION by Director Barbre, seconded by Director Thomas, and carried (6-0), the Board approved the Consent Calendar items as follows. Directors Barbre, Dick, Hinman, Osborne, Tamaribuchi, and Thomas voted in favor of items 1b-c through 4; and by a vote of (5-0), Directors Barbre, Dick, Osborne, Tamaribuchi & Thomas voted in favor of Item 1(a), with Director Hinman abstaining. Director Finnegan was absent.

MINUTES

The following minutes were approved.

February 3, 2016 Workshop Board Meeting (Director Hinman abstained from voting)
February 16, 2016 Special Board Meeting
February 17, 2016 Regular Board Meeting

COMMITTEE MEETING REPORTS

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

- Planning & Operations Committee Meeting: February 1, 2016
- Administration & Finance Committee Meeting: February 10, 2016
- Public Affairs & Legislation Committee Meeting: February 16, 2016
- Executive Committee Meeting: February 18, 2016

TREASURER'S REPORTS

The following items were ratified and approved as presented.

- MWDOC Revenue/Cash Receipt Register as of February 29, 2016
- MWDOC Disbursement Registers (February/March)

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 January 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 January 31, 2016

END CONSENT CALENDAR

INFORMATION CALENDAR

GENERAL MANAGER'S REPORT, MARCH 2016

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

Mr. Hunter advised that he attended the Groundwater Producers meeting wherein the producers asked that a fourth alternative be included in the rate study (a volumetric charge); he stated that future presentations will include four alternatives.

Mr. Hunter announced that MWDOC would be hosting its semi-annual Elected Officials Forum on April 7th and he encouraged all to attend.

Responding to an inquiry by Director Osborne, Harvey De La Torre advised that the 30% Table A allocation (which will provide MET with close to 600,000 acre-feet for 2016) was based off of January snowpack levels, and that all Delta restrictions were accounted for (prior to establishing 30% as our allocation).

Discussion ensued regarding the Table A allocations and the possibility of the allocation be raised to 50% (additional precipitation/snow pack).

Director Barbre highlighted the importance of storage, noting that MET has been able to withstand decades of drought (via the Colorado River) because although the Colorado River annual flow is approximately 15 million acre-feet, total storage on the River is 16 million acre-feet (about 4 times the annual flow). He advised that, in contrast, the State Water Project, has roughly half of the average flow in storage, and that if more storage were available, California would be in a much better position.

Responding to a question from Director Barbre, Laura Loewen (Public Affairs Assistant) advised that the firm Crocker & Crocker conducted a presentation at the recent Public Affairs Workshop.

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 MET Board/Committee meetings, the MWDOC Board and Workshop Board meetings, as well as the Executive, Administration & Finance, and Planning & Operations Committee meetings. Mr. Dick also attended a tour of the Great Wolf Lodge, the MET pre-meeting to the Executive Committee, a meeting with Dick Ackerman, the ISDOC Executive Committee meeting, the MET Caucus, the WACO and WACO Planning meetings, the Association of California Cities Water Committee meeting, a meeting with Tom Davis regarding real property, and the Urban Water Institute planning meetings.

Director Barbre reported on attending the MET Board/Committee meetings (including the fourth Tuesday Committee meetings), the MWDOC Board and Workshop Board meetings, as well as the Executive, Administration & Finance, and Planning & Operations Committee meetings. Mr. Barbre also reported on attending various meetings fighting for Yorba Linda Water District Board members against the recall, as well as the WACO meeting, MET pre-meeting to the Executive Committee, the MWDOC MET Director Caucus, the general Caucus, and a meeting with Gary Breaux and Bob Wunderlich regarding MET Budget issues. He also noted his attendance at a three-day State Water Project inspection trip with DC legislative staff, a three-day Colorado River-Hoover-Palo Verde Farming inspection trip, the MWDOC luncheon in Washington, DC, a hearing before the House

Resources Subcommittee on Water Power and Oceans (wherein he provided testimony), a meeting with staff members of the Subcommittee on Water Power and Oceans, and a meeting with the Office of the Majority Leader.

Director Tamaribuchi noted his attendance at all the MWDOC Board and Workshop Board meetings, the Executive Committee and the Administration & Finance Committee meetings, as well as MWDOC's luncheon in Washington, DC, and the three-day Colorado River-Hoover-Palo Verde Farming inspection trip.

Director Thomas stated that he attended the MWDOC Board meeting, the Administration & Finance Committee meeting, the OC Water Summit planning meetings, the meeting with the South County agencies, and the OCBC dinner. He noted that he would be attending the Santiago Aqueduct Commission meeting on March 17, 2016. Mr. Thomas commented that the issue of pension unfunded liability will be a newspaper topic over the next several months.

Director Hinman reported on attending all of the MWDOC Board and Committee meetings, the Orange County Water Association luncheon, a school program assembly at Top of the World Elementary (February 24), the Water Expo at Capistrano Valley High School, the WACO and WACO Planning meetings, the San Juan Basin Authority meeting, and the meeting with the South County agencies. She reported that she would be attending the San Juan Basin Authority meeting on March 22nd, as well as the UCI conference/presentation on climate change and the snow pack impacts on the State.

Director Osborne reported on attending the Board and Committee meetings, the WACO meeting, and the OC Water Summit planning meetings.

SPECIAL PRESENTATION

President Osborne and Director Dick presented MWDOC's Resolution No. 2828 to retiring East Orange County Water District Director Bill VanderWerff, on the occasion of his retirement. Mr. VanderWerff commended MWDOC staff and thanked the Board.

ADJOURNMENT

There being no further business to come before the Board, President Osborne adjourned the meeting at 9:18 a.m.

Respectfully submitted,

Maribeth Goldsby, Secretary