

REVISED
MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF
THE MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Jointly with the
ADMINISTRATION & FINANCE (A&F) COMMITTEE
October 14, 2015 – 8:35 a.m. to 9:20 a.m.
MWDOC Conference Room 101

Committee Members:

Director Jeff Thomas, Chair
Director Joan Finnegan (absent)
Director Wayne Osborne

Staff:

Karl Seckel, Harvey De La Torre,
Katie Davanaugh, Hilary Chumpitazi
Cathy Harris, Joe Berg

Also Present:

Director Larry Dick
Director Susan Hinman
Director Brett Barbre
Director Sat Tamaribuchi
Director Larry Dick
MET Director Linda Ackerman
MET Director Larry McKenney
Andrew Hamilton, Mesa Water
Chuck Gibson, Santa Margarita Water District

Director Thomas called the meeting to order at 8:35 a.m. Director Dick sat on the Committee in the absence of Director Finnegan.

PUBLIC COMMENTS

No comments were received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

No items were presented.

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING

No items were distributed.

PROPOSED BOARD CONSENT CALENDAR ITEMS

TREASURER'S REPORT

- a. Revenue/Cash Receipt Report – September 2015
- b. Disbursement Approval Report for the month of October 2015
- c. Disbursement Ratification Report for the month of September 2015
- d. GM Approved Disbursement Report for the month of September 2015

- e. Water Use Efficiency Projects Cash Flow – September 30, 2015
- f. Consolidated Summary of Cash and Investment – August 2015
- g. OPEB Trust Fund monthly statement

Upon MOTION by Director Osborne, seconded by Director Thomas, and carried (3-0), the Committee recommended the Treasurer's Report for approval at the October 21, 2015 Board meeting. Directors Thomas, Osborne and Dick all voted in favor.

Director Hinman inquired on the \$744,000 payment on the disbursement register with Mr. Berg noting that it was to the Santa Ana Country Club for the turf removal program. Director Osborne inquired what the process was for verification and Mr. Berg noted that a pre and post inspection is conducted on all applicants prior to any rebate(s) being issued.

FINANCIAL REPORT – Preliminary Financial Report for Fiscal Year 2014 (Unaudited)

Upon MOTION by Director Osborne, seconded by Director Thomas, and carried (3-0), the Committee recommended the Financial Report for approval at the October 21, 2015 Board meeting. Directors Thomas, Osborne and Dick all voted in favor.

CONSUMER DRIVEN HEALTH PLANS (CDHP) BENEFIT PLAN OFFERINGS FOR 2016

Upon MOTION by Director Dick, seconded by Director Osborne, and carried (3-0), the Committee concurred with staff recommendation to 1) approve the addition of the Anthem and Kaiser CDHP to the options available to eligible participants for health insurance; 2) authorize the General Manager to notify the Joint Powers Insurance Authority of the District's intent to add the CDHP to its current benefit offerings; 3) implement a Health Savings Account (HSA) for participants enrolled in the CDHP; 4) implement a limited purpose benefits plan for participants who elect the CDHP, and 5) determined that annual contributions will be made to the HSA account at the first payroll of 2016. The Committee requested that this policy be reviewed on an annual basis to determine the appropriate annual contribution and deposit timing.

This item will be presented to the Board on October 21 for approval. Directors Thomas, Osborne and Dick all voted in favor.

DISTRIBUTION SYSTEM WATER LOSS CONTROL TECHNICAL ASSISTANCE FOR MEMBER AGENCIES

Upon MOTION by Director Osborne, seconded by Director Thomas, and carried (3-0), the Committee authorized the General Manager to 1) enter into a professional services contract, to be renewed annually for up to three years, with Water Systems Optimization, Inc. to 1) provide technical assistance to member agencies for water loss control, water balances, component analysis, and leak detection (depending upon the number of agencies that participate in this Choice Program opportunity, this contract amount could range up to \$1,253,280 with all 28 member agencies participating), and 2) Initiate the establishment of an Orange County Water Loss Control Committee for member agencies as a MWDOC Core Program at an annual cost not to exceed \$55,000. Additionally, the General Manager was

authorized to enter into Choice-based cost-sharing agreements with agencies wishing to access this technical assistance.

SMWD Director Chuck Gibson expressed support ~~for SB 555 and~~ for the water loss control measures outlined in the staff report and suggested that the Committee prepare a letter to ACWA to oppose state legislation mandating additional regulations and penalties on local agencies for non-compliance in support of this, ~~which would include a validated water loss control report in order for applicants to receive grant funding.~~ Directors Thomas and Hinman expressed support (for the intent of SB 555) on the local level.

INFORMATION ITEMS

STATUS REPORT RE: IMPLEMENTATION OF THE SETTLEMENT AGREEMENT BETWEEN MWDOC AND ITS MEMBER AGENCIES (oral report)

Mr. Seckel noted that this is a quarterly agenda item and that the next meeting with representatives from South County is scheduled for November 18th to discuss relationships, budgeting and any concerns the agencies may have. A formal agenda will be prepared for the November meeting. Director Thomas noted that he has a previous engagement and will not be able to attend the November 18th meeting.

MONTHLY WATER USAGE DATA, TIER 2 PROJECTION & WATER SUPPLY INFO

The staff report was received and filed without comment.

DEPARTMENT ACTIVITIES REPORTS

- a. Administration
- b. Finance and Information Technology

The staff report was received and filed without comment.

OTHER ITEMS

REVIEW ISSUES REGARDING DISTRICT ORGANIZATION, PERSONNEL MATTERS, EMPLOYEE BENEFITS FINANCE AND INSURANCE

No information was presented.

ADJOURNMENT

There being no further business to be brought before the Committee, the meeting adjourned at 9:20 a.m.