

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
August 16, 2017**

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. Assistant General Manager Karl Seckel led the Pledge of Allegiance and Secretary Goldsby called the roll.

MWDOC DIRECTORS

Brett R. Barbre
Larry Dick
Joan Finnegan
Wayne Osborne
Sat Tamaribuchi
Jeffery M. Thomas
Megan Yoo Schneider (absent)

STAFF

Robert Hunter, General Manager
Karl Seckel, Assistant General Manager
Joe Byrne, Legal Counsel
Maribeth Goldsby, Board Secretary
Harvey De La Torre, Associate General Manager
Jonathan Volzke, Public Affairs Manager
Melissa Baum-Haley, Sr. Water Resources Analyst
Tiffany Baca, Public Affairs Supervisor

ALSO PRESENT

Jose Vergara	El Toro Water District
Dennis Erdman	South Coast Water District
Andy Brunhart	South Coast Water District

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.

No public comments were received.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

No items were received.

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 distributed.

EMPLOYEE SERVICE AWARD

President Osborne, along with General Manager Hunter, presented an award to Pat Meszaros for thirty years of service to the District.

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.

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

MINUTES

The following minutes were approved.

July 5, 2017 Workshop Board Meeting
July 19, 2017 Regular Board Meeting

COMMITTEE MEETING REPORTS

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

Planning & Operations Committee Meeting: July 3, 2017 (cancelled)
Administration & Finance Committee Meeting: July 12, 2017
Executive Committee Meeting: July 20, 2017
MWDOC/OCWD Joint Planning Committee Meeting: July 26, 2017

TREASURER'S REPORTS

The following items were ratified and approved as presented.

MWDOC Revenue/Cash Receipt Register as of July 31, 2017
MWDOC Disbursement Registers (July/August)

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 June 30, 2017

PARS Monthly Statement (OPEB Trust)

Water Use Efficiency Projects Cash Flow

FINANCIAL REPORT

The following items were received and filed as presented.

Draft Combined Financial Statements and Budget Comparative for the period ending June 30, 2017
Quarterly Budget Review (deferred to FY 2016-17 Audited Annual Financials)

CONTRACT AUTHORIZATION FOR RAFTELIS FINANCIAL CONSULTANTS TO CONDUCT FIVE YEAR MONITORING OF THE BUDGET BASED TIERED RATE GRANT FROM DWR

The Board authorized the General Manager to enter into a contract with Raftelis Financial Consultants to carry out the five year monitoring work required as a condition of the DWR Grant, at a cost not to exceed \$41,721.

AUTHORIZATION FOR THE GENERAL MANAGER TO ENTER INTO CONTRACT WITH BEST BEST & KRIEGER FOR LEGAL SERVICES

The Board authorized the General Manager to enter into a contract with Best Best & Krieger (BB&K) for legal services in conformance with their written proposal, interview and subsequent concessions. BB&K was unanimously selected by the evaluation committee consisting of three directors and four staff.

AUTHORIZE ATTENDANCE AT COLORADO RIVER BOARD INSPECTION TRIP, AUGUST 28-31, 2017, COLORADO

The Board authorized travel for two staff members to attend, as Metropolitan’s Member Agency Inspection Trip guests, a Colorado River Upper Basin Drought Contingency Plan Tour from August 28-31, 2017.

END CONSENT CALENDAR

ACTION CALENDAR

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) COMMITTEE CONSIDERATION FOR 2018/19

President Osborne advised that the proposal to nominate MWDOC Board and staff to ACWA Committees for the 2018-19 term was before the Board for consideration. General Manager Hunter briefly outlined ACWA’s Committee appointment process, noting that subsequent to the Administration & Finance Committee meeting, Director Barbre requested he be nominated to the Federal Affairs Committee and Director Yoo Schneider requested she be nominated to the Communications Committee.

Following discussion, and upon MOTION by Director Dick, seconded by Director Barbre, and carried (6-0), the Board recommended the following names be submitted to ACWA for Committee consideration, and directed staff to submit the completed Committee Consideration forms to ACWA by the September 29, 2017 deadline. Directors Barbre, Dick, Finnegan, Osborne, Tamaribuchi & Thomas voted in favor; Director Yoo Schneider was absent. The considered names were:

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|---------------------|--|
| Linda Ackerman | Federal Affairs Committee |
| Larry McKenney | Local Government, Legal Affairs, and Business Development Committees |
| Brett Barbre | Federal Affairs Committee |
| Megan Yoo Schneider | Communications Committee |
| Heather Baez | Federal Affairs and State Legislative Committees |
| Damon Micalizzi | Communications & Local Government Committees |
| Joe Berg | Water Management Committee |

REVIEW OF DISTRICT INVESTMENT POLICY & GUIDELINES

Upon MOTION by Director Thomas, seconded by Director Finnegan, and carried (6-0), the Board adopted RESOLUTION NO. 2059 establishing the District’s Investment Policy & Guidelines (incorporating the changes made by the Administration & Finance Committee), and authorized staff to include these changes/additions into the District’s Administrative Code. Said RESOLUTION NO. 2059 was adopted by the following roll call vote:

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

MASTER AGREEMENTS FOR SHARED PROGRAMS AND SERVICES WITH ANAHEIM, SANTA ANA, AND FULLERTON

President Osborne advised that the proposal to enter into Master Agreements for Shared Programs and Services with Anaheim, Santa Ana, and Fullerton was before the Board for consideration.

Director Barbre highlighted the question raised by the Planning & Operations Committee on whether it was necessary/recommended that a provision be added to the agreement protecting MWDOC with respect to any Intellectual Property issues that might arise. Legal Counsel Byrne advised that although such a provision may be warranted in the future, he did not find it necessary for this agreement, noting that if Intellectual Property issues arise in connection to future shared services agreements, provisions can be added at that time.

Upon MOTION by Director Barbre, seconded by Director Finnegan, and carried (6-0), the Board approved the 2017 version of the City of Anaheim Master Agreement, and ratified the 2016 version of the Santa Ana Master Agreement, and authorized staff to develop and execute a similar form of Master Agreement with the City of Fullerton. Directors Barbre, Dick, Finnegan, Osborne, Tamaribuchi & Thomas voted in favor; Director Yoo Schneider was absent.

INFORMATION CALENDAR

GENERAL MANAGER'S REPORT, AUGUST 2017

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

Director Dick highlighted the Cyber Security meeting hosted by Senator Joe Dunn. Discussion ensued regarding cyber security and the benefits of retaining a consultant to present information and work with both MWDOC and the member agencies.

Director Barbre recommended Mr. Frank Ury of Mission Viejo as a viable source for cyber security issues and suggested staff contact him. Following discussion regarding the person MET uses, as well as who AT&T uses, the Board directed staff to evaluate consultants and report back to the Board.

General Manager Hunter advised that the Water Policy dinner would be held on August 30, 2017 at the Great Wolf Lodge.

The Board received and filed the report as presented.

MWDOC GENERAL INFORMATION ITEMS

A. 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 reported on attending the following meetings: Contractor's Association (re WaterFix), MWDOC Planning & Operations, Board, Administration & Finance, MWDOC/OCWD Joint Planning, and Executive Committee meetings, the Cal Construction Expo, the Lou Correa Town Hall meeting, the MET pre-Executive Committee and Executive Committee meetings, the South Orange County Economic Coalition meeting, the Southern California Water Committee meeting, the ISDOC Executive Committee meeting, the OC Taxpayers Association meeting, the WACO meeting, the Orange Rotary Club meeting, the MET Caucus, the MET Board and Committee meetings, and the Garden Grove Legislative Committee featuring Lou Correa.

Director Finnegan advised that she attended the Planning & Operations, Administration & Finance, MWDOC/OCWD Joint Planning, and Executive Committee meetings, as well as the Workshop and Regular Board meetings, the ISDOC Executive Committee meeting, the WACO Planning Committee meeting, and the Center for Demographic Research meeting.

Director Barbre reported he attended the following meetings in his capacity as a MET Director: a meeting with Congressman Correa, the MET Director Caucus (late), the MET Committee day (4th Tuesday), the YLWD/OCWD/MWDOC Joint Committee meeting, a meeting with the City of Santa Ana regarding the WaterFix, the MWDOC MET Director caucus, a meeting with Deven Upadhyay, a meeting with Al Mendez (inspection trip planning), a meeting with Pat Scanlon and Bill Gedney, the Inland Empire MET Caucus, and the MET Board and Committee meetings. In his capacity as a MWDOC Director he attended: the Planning & Operations, Administration & Finance, MWDOC/OCWD Joint Planning, and Executive Committee meetings, Workshop Board meeting, interviews with law firms regarding legal counsel selection, the WACO meeting, and a meeting with John Moorlach (WaterFix).

Director Tamaribuchi stated that he attended all MWDOC regularly scheduled meetings (except the Executive Committee meeting), the WACO meeting, the OCBC Infrastructure meeting, a CCEEB Water Chemistry and Waste issues seminar, as well as a CCEEB Water Chemistry and Waste issues meeting in Sacramento where MWDOC's focus continues to be the WaterFix. He advised that he hopes to hear later in the week on whether CCEEB will officially support the WaterFix.

Director Thomas reported on attending the Public Affairs & Legislation, Administration & Finance, and Executive Committee meetings, as well as the Board meeting, the ACCOC meeting, the

interviews with law firms regarding the legal counsel selection, the MET Board meeting, a meeting with Santa Margarita Water District, and the South County Reliability meeting.

Director Osborne advised that he attended the interviews with law firms regarding legal counsel selection (July 24-25), as well as the MWDOC/OCWD Joint Planning Committee, Workshop and Regular Board meetings, and the Administration & Finance, Public Affairs & Legislation, Planning & Operations, and Executive Committee meetings.

B. REQUESTS FOR FUTURE AGENDA TOPICS

Director Barbre referenced the WaterFix and efforts being made toward support for the WaterFix. He suggested that not enough effort has been geared toward meeting with legislative democrats and that it would be prudent for meetings to be scheduled with them. Following discussion, General Manager Hunter advised that staff was in the process of scheduling the annual meetings with legislators as well as the Board of Supervisors and that staff would work with Mr. Devers to schedule appropriate legislative meetings.

Director Barbre also referenced the upcoming performance evaluation of the General Manager, and suggested an all-day off-site meeting be held to review the General Manager. Mr. Hunter advised that he is in the process of submitting his responses to last year's goals.

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