

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
October 18, 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. Director Yoo Schneider 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 (absent)
Meghan Yoo Schneider

STAFF

Robert Hunter, General Manager
Karl Seckel, Assistant General Manager
Joe Byrne, Legal Counsel
Maribeth Goldsby, Board Secretary
Kelly Hubbard, WEROC Programs Mgr.
Damon Micalizzi, Director of Public Affairs
Tiffany Baca, Public Affairs Supervisor
Cathy Harris, Admin. Services Manager
Heather Baez, Government Affairs Manager
Francisco Soto, WEROC Emerg. Programs Coord.
Melissa Baum-Haley, Sr. Water Resources Analyst
Charles Busslinger, Principal Engineer
Chris Lingad, Water Resources Analyst

ALSO PRESENT

Linda Ackerman
Jose Vergara
Doug Reinhart
Peer Swan
Jim Atkinson
Dennis Erdman
Andy Brunhart
Hector Ruiz
Brooke Jones
Al Nederhood
Marc Marcantonio

MWDOC/MET Director
El Toro Water District
Irvine Ranch Water District
Irvine Ranch Water District
Mesa Water
South Coast Water District
South Coast Water District
Trabuco Canyon Water District
Yorba Linda Water District
Yorba Linda Water District
Yorba Linda 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 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.

SPECIAL RECOGNITION

Ms. Kelly Hubbard, WEROC Programs Manager, presented the Board with a Resolution adopted by the Orange County Board of Supervisors thanking MWDOC and WEROC with their efforts with the Canyon 2 fire.

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

MINUTES

The following minutes were approved.

- September 6, 2017 Workshop Board Meeting
- September 20, 2017 Regular Board Meeting
- September 20, 2017 MWDOC Water Facilities Corporation Meeting

COMMITTEE MEETING REPORTS

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

- Administration & Finance Committee Meeting: September 13, 2017
- Public Affairs & Legislation Committee Meeting: September 18, 2017
- Executive Committee Meeting: September 21, 2017

TREASURER'S REPORTS

The following items were ratified and approved as presented.

- MWDOC Revenue/Cash Receipt Register as of September 30, 2017
- MWDOC Disbursement Registers (September/October)

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 August 31, 2017

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 August 31, 2017

END CONSENT CALENDAR

ACTION CALENDAR

SEISMIC STUDY RESULTS FOR THE MWDOC OFFICES AND PROPOSED STAFF WORK PLAN AND AWARD OF CONTRACT TO IDS GROUP FOR ADDITIONAL SEISMIC WORK AT BOTH THE MWDOC OFFICE AND THE SOUTH EOC

President Osborne advised that the proposal for seismic work at both the MWDOC offices and the South EOC, pursuant to the results of the Seismic Study were before the Board for consideration.

Mr. Osborne noted that staff outlined three recommendations, but he would prefer to have the Board vote on recommendations 1 and 2, separate from the third.

Upon MOTION by Director Tamaribuchi, seconded by Director Finnegan, and carried (6-0), the Board reviewed the Seismic Study for the MWDOC offices, as well as the staff work plan for addressing seismic recommendations at both the MWDOC office and the South EOC, and approved the award of 2 additional contracts to IDS at an estimated cost of \$14,800 to complete the following: (1) prepare plans for support and bracing of elements of the South EOC and provide engineering support services for plan check approval and construction observation at an estimated cost of \$6,100 and including owner's-rep services; and (2) prepare plans for non-structural retrofit elements of the MWDOC Administrative Building and provide engineering support services for plan check approval and construction observation at an estimated cost of \$8,700 and including owner's-rep services. Directors Barbre, Dick, Finnegan, Osborne, Yoo Schneider, and Tamaribuchi all voted in favor. Director Thomas was absent.

With respect to recommendation 3, President Osborne questioned whether additional engineering analysis and evaluation of up to three seismic performance levels for structural retrofit of the MWDOC Administration Building (at an estimated cost of \$6,600) was necessary, and whether such work would create any liability to the District; he noted that he would support if there was any threat to human safety. General Manager Hunter advised that this additional analysis would outline various scenarios and would provide information on the minimum safety standards for the building. Upon being asked, Legal Counsel indicated that doing the study would not create any additional liability unless it uncovered an obvious threat to human health and safety and no action

was taken to correct it. Counsel also advised that taking no action can have liability consequences as well.

Upon MOTION by Director Barbre, seconded by Director Dick, and carried (5-1), the Board authorized additional engineering analysis and evaluation of up to three seismic performance levels for structural retrofit of the MWDOC Administration Building at an estimated cost of \$6,600. Directors Barbre, Dick, Finnegan, Yoo Schneider, and Tamaribuchi all voted in favor; Director Osborne opposed, and Director Thomas was absent.

ORANGE COUNTY REDEVELOPMENT AGENCY OVERSIGHT COMMITTEE – CALL FOR NOMINATIONS

Director Barbre advised that the Public Affairs & Legislation Committee did not recommend anyone for nomination to the Orange County Redevelopment Agency Oversight Committee.

Director Barbre made a MOTION to authorize the Board President to cast the District's ballot for the Orange County Redevelopment Agency Oversight Committee at the time of the election; Director Finnegan seconded the MOTION.

Discussion ensued regarding inviting the candidates to a MWDOC Board meeting (or some other venue) to address the Board, and at that point, the MWDOC Board could authorize President Osborne to cast the District's ballot or have the Board (as a whole) vote on the ballot.

Following discussion, Director Barbre amended his MOTION (which was accepted by Director Finnegan), and carried (6-0), to direct staff to invite the candidates for the Orange County Redevelopment Agency Oversight Committee to address the Board at the November 15, 2017 Board meeting, and at that time the Board can determine whether the Board as a whole, or President Osborne (in his discretion) would cast the District's ballot. Directors Barbre, Dick, Finnegan, Osborne, Yoo Schneider, and Tamaribuchi all voted in favor. Director Thomas was absent.

MWDOC LEGISLATIVE POLICY PRINCIPLES ANNUAL UPDATE

President Osborne advised that the Public Affairs & Legislation Committee recommended this item be deferred back to the Committee for further discussion and review.

INFORMATION CALENDAR

GENERAL MANAGER'S REPORT, OCTOBER 2017

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

General Manager Hunter highlighted the upcoming Elected Officials Forum scheduled for November 2nd at 6:00 pm.

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 he attended the following meetings: the Public Affairs & Legislation and Administration & Finance Committee meetings, MET Caucus, the Garden Grove Chamber of Commerce meeting, the MET Board and Committee meetings, the Garden Grove Rotary Club meeting, a meeting with Mr. Hunter and Lucy Dunn, a meeting with Feedy Mares, a meeting with Congressman Royce, the Urban Water Institute conference planning meeting, a meeting with Congressman Calvert, the WACO Planning Committee meeting, and the Villa Park City Council meeting.

Director Finnegan advised that she attended the Planning & Operations, Administration & Finance, and Public Affairs & Legislation Committee meetings, as well as the Seal Beach Republican Women luncheon (where Karl Seckel was the featured speaker). She highlighted the upcoming ISDOC luncheon scheduled for October 26th, and noted that the Center for Demographic issued its annual progress report (copies were distributed to the Directors).

Director Barbre reported he attended the following meetings in his capacity as a MET Director: a meeting with Gary Breaux and June Skillman, the MET Caucus (Inland Empire), the fourth Tuesday MET Committee day, the MWDOC/MET Director caucus, the MET Board and Committee meetings, a meeting with Governor Brown (regarding the California WaterFix), the MWDOC MET Director luncheon, the MET Local Infrastructure inspection trip, and the Los Alamitos City Council meeting. Director Barbre advised he attended the following meetings in his capacity as MWDOC Director: Executive, Planning & Operations, Administration & Finance, and Public Affairs & Legislation Committee meetings, the OC Water Summit Ad Hoc Committee meeting, the meeting with YLWD/OCWD/MWDOC, the Workshop Board meeting, and the WACO meeting.

Director Tamaribuchi stated that he attended all MWDOC regularly scheduled meetings, the Water UCI event, the MET workshop on the California WaterFix, a meeting with OC CoastKeepers regarding the Delta Restoration Study, the Orange County Business Council meeting, and the Coalition for Environmental Protection and Restoration Development meeting.

Director Yoo Schneider reported on her attendance at the following meetings: the Planning & Operations and Administration & Finance Committee meetings, a meeting with Rick Erkeneff (SCWD), a meeting with Paul Shoenberger, the Women in Water event, the San Juan Basin Authority meeting, a meeting with Dan Ferons (with Rob Hunter and Damon Micalizzi), the World Water forum, a meeting with Lisa Ohlund, a meeting with Charles Busslinger, Norris Brandt and Betty Olson, and a meeting with Jim Leach.

Director Osborne advised that he attended the Workshop and Regular Board meetings, the Planning & Operations, Administration & Finance, Public Affairs & Legislation, and Executive Committee meetings, and the OC Water Summit Ad Hoc Committee meeting.

B. REQUESTS FOR FUTURE AGENDA TOPICS

Director Barbre noted the recent media outlets mentioning a “single” tunnel option for the WaterFix, noting that this is not a viable option. He suggested MWDOC’s social media consultant prepare messaging on the importance of a twin-tunnel system.

Discussion ensued regarding the “single” tunnel idea and the Board generally agreed that this would not work and could be considered a ploy to “kill” the project.

CLOSED SESSION

At 9:10 a.m., Legal Counsel Byrne announced that the Board would adjourn to closed session, pursuant to Government Code Section 54957, to conduct the performance evaluation of the General Manager.

RECONVENE TO OPEN SESSION

The Board reconvened at 10:10 a.m., and Legal Counsel Byrne announced that no reportable action was taken in closed session.

CONSIDERATION OF AMENDMENT TO GENERAL MANAGER’S EMPLOYMENT AGREEMENT

President Osborne advised that he would like to discuss (1) a salary increase for the General Manager, and (2) an extension to the General Manager’s contract.

With respect to a salary increase, President Osborne referenced the salary survey (of 20) agencies and outlined comparisons to those agencies and his thoughts on a salary increase for the General Manager. He asked for comments and suggestions from the Board.

Each Board member weighed in and the general consensus was that Mr. Hunter met all of his goals established by the Board and, therefore, a 5% pay increase was in order.

Upon MOTION by Director Barbre, seconded by Director Yoo Schneider and carried (7-0), the Board approved a 5% pay increase for the General Manager, effective September 9, 2017 (\$260,613.60 base salary and \$16,754 employer contribution to a 401(a) Plan). Directors Barbre, Dick, Finnegan, Osborne, Yoo Schneider, and Tamaribuchi all voted in favor. Director Thomas was absent.

President Osborne then stated that the General Manager’s contract expires in 2018 and that he would recommend a three-year extension to that contract (through 2021). He advised that he would not recommend going beyond a three-year extension.

Upon MOTION by Director Tamaribuchi, seconded by Director Yoo Schneider, and carried (6-0), the Board authorized a three-year extension to the General Manager’s employment contract (expiring in September 2021). Directors Barbre, Dick, Finnegan, Osborne, Yoo Schneider, and Tamaribuchi all voted in favor. Director Thomas was absent.

President Osborne commented that the General Manager submitted a “wish list” of items he would like negotiated into the contract, but that because several of the items are what he considers “major” he was not willing to discuss them at this point, but would prefer they be discussed among the full Board.

Director Barbre expressed concern with Mr. Osborne not making the Board aware of Mr. Hunter’s wish list, noting his belief that it is not up to the President to make decisions on behalf of the Board.

Mr. Osborne advised that the list included changes to the term and severance option.

Following discussion, the Board suggested Mr. Hunter submit a letter (within the next 30 days) to the Board outlining any other issues he would like the Board to consider. Once this letter is received by the Board, the Board will address it at a subsequent meeting.

ADJOURNMENT

There being no further business to come before the Board, President Osborne adjourned the meeting at 10:39 a.m.

Respectfully submitted,

Maribeth Goldsby, Secretary