

**MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY  
April 18, 2018**

At 8:30 a.m., President Barbre 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 (absent)  
Sat Tamaribuchi  
Jeffery M. Thomas  
Megan Yoo Schneider

**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  
Melissa Baum-Haley, Sr. Water Resources Analyst  
Damon Micalizzi, Director of Public Affairs  
Joe Berg, Director of Water Use Efficiency  
Cathy Harris, Admin. Services Manager  
Heather Baez, Director of Gov. Affairs  
Kevin Hostert, Water Resources Analyst  
Charles Busslinger, Principal Engineer  
Kelly Hubbard, WEROC Programs Manager  
Francisco Soto, WEROC Emergency Prog. Coord.

**ALSO PRESENT**

Linda Ackerman  
Larry McKenney  
Doug Reinhart  
Paul Weghorst  
Jim Atkinson  
John Kennedy  
Dan Ferons  
Rick Erkeneff  
Dennis Erdman  
Brooke Jones  
Al Nederhood  
Marc Marcantonio  
Lori Klessner  
Stephanie Smith

MWDOC MET Director  
MWDOC MET Director  
Irvine Ranch Water District  
Irvine Ranch Water District  
Mesa Water  
Orange County Water District  
Santa Margarita Water District  
South Coast Water District  
South Coast Water District  
Yorba Linda Water District  
Yorba Linda Water District  
Yorba Linda Water District  
OC Department of Education  
OC Department of Education

**PUBLIC PARTICIPATION/PUBLIC COMMENT**

President Barbre 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. Barbre 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 Barbre inquired as to whether there were any items distributed to the Board less than 72 hours prior to the meeting. No items were distributed.

General Manager Hunter advised that clarifications/revisions or additional information were distributed to the Board (and made available to the public) on Item Nos. 8-2 (Approval of Structural Seismic Improvements to the MWDOC Administration Building and Staff Direction for Implementation), 8-7 (AB 2543, Eggman), and 8-8 (Elementary School Program), and 8-9 (High School Program).

**CONSENT CALENDAR**

President Barbre 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 Dick, and carried (5-0), the Board approved the Consent Calendar items as follows. Directors Barbre, Dick, Finnegan, Yoo Schneider, and Tamaribuchi voted in favor; Directors Osborne and Thomas were absent.

**MINUTES**

The following minutes were approved.

March 7, 2018 Workshop Board Meeting  
March 21, 2018 Regular Board Meeting

**COMMITTEE MEETING REPORTS**

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

Planning & Operations Committee Meeting: March 5, 2018  
Administration & Finance Committee Meeting: March 14, 2018  
Public Affairs & Legislation Committee Meeting: March 19, 2018  
Executive Committee Meeting: March 22, 2018

**TREASURER'S REPORTS**

The following items were ratified and approved as presented.

MWDOC Revenue/Cash Receipt Register as of March 31, 2018  
MWDOC Disbursement Registers (March/April)

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 February 28, 2018

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 February 28, 2018

Quarterly Budget Report

**AWARD OF CONSULTANT CONTRACT FOR THE SOC INTERCONNECTION STUDY**

The Board authorized the General Manager to enter into a contract with Dudek on a time and materials basis not to exceed \$244,250 to work with IRWD, MWDOC, and the SOC Agencies on the potential for expansion or extension of the existing Emergency Services Agreement for the SOC Interconnection.

**WATER LOSS AUDIT VALIDATION RESEARCH**

The Board authorized the General Manager to enter into a professional services agreement with Water Systems Optimization, Inc. to provide independent water loss audit report validation services for member agencies, using budgeted research funds of \$52,000.

**DISTRICT BENCHMARK COMPENSATION AND BENEFITS STUDY**

The Board (1) approved the proposed pay structure which includes title, classification and FLSA status changes and a 3.62% pay structure adjustment to the salary ranges only, effective July 1, 2018; and (2) approved revisions to the District's policy regarding Compensation and Benefits Surveys and Pay Structure Adjustments, as presented.

**- END CONSENT CALENDAR -**

**ACTION CALENDAR**

**WEROC EMERGENCY OPERATIONS PLAN RESOLUTION**

Upon MOTION by Director Finnegan, seconded by Director Yoo Schneider, and carried (5-0), the Board adopted RESOLUTION NO. 2068 approving the revised WEROC Emergency Operations Plan, by the following roll call vote:

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

(Director Thomas arrived at 8:35 a.m.)

**APPROVAL OF STRUCTURAL SEISMIC IMPROVEMENTS TO THE MWDOC  
ADMINISTRATION BUILDING AND STAFF DIRECTION FOR IMPLEMENTATION**

President Barbre advised that the proposal to approve structural seismic improvements to the administration building was before the Board for consideration. He advised that the Administration & Finance Committee recommended the Board at least move forward with the Life Safety option of \$300,000, but also recommended the Board discuss/consider moving forward with the Damage Control option of \$500,000.

Director Dick made a MOTION, which was seconded by Director Finnegan to authorize staff to move forward with the Life Safety option (3-C) of \$300,000. Considerable discussion ensued regarding whether the Board should authorize the full \$500,000 as recommended by staff, with several Board members indicating that \$300,000 would secure the building enough to protect the employees from harm (during an earthquake). Several other Board members expressed support for expending the full \$500,000 to fully support the building improvements, noting the cost savings by doing all the work at once.

Director Barbre suggested the MOTION be amended to authorize \$400,000 which would cover the majority of structural issues (as \$100,000 has already been approved for non-structural work). Director Dick concurred and amended his MOTION to authorize staff to move forward with \$400,000 of seismic improvements as outlined in the write up; Director Finnegan seconded the amended MOTION. By a vote of 3-3 the amended MOTION failed. Directors Finnegan, Barbre and Dick voted in favor; Directors Tamaribuchi, Thomas and Yoo Schneider opposed.

Following discussion, and upon MOTION by Director Yoo Schneider, seconded by Director Thomas, and carried (6-0), the Board authorized staff to move forward with the Damage Control option 2-B in the amount of \$500,000. Directors Barbre, Dick, Finnegan, Yoo Schneider, Tamaribuchi & Thomas voted in favor.

General Manager Hunter referenced the Administration & Finance Committee discussion on moving locations; he suggested the Board discuss the options, as many building improvements and remodel projects are on hold until this discussion is resolved. Mr. Hunter advised that the cost to move and secure a new location would range in cost from \$7 million to \$12 million.

Director Barbre wasn't comfortable with the cost numbers presented and suggested more accurate costs be evaluated.

Following discussion, the Board referred additional discussion on the relocation issue to the Executive Committee in May; staff was directed to compile a list of all improvements made to the building since 1992.

**ADOPT BUDGET FOR FISCAL YEAR 2018-19**

Upon MOTION by Director Thomas, seconded by Director Finnegan, and carried (6-0), the Board adopted RESOLUTION NO. 2069 approving the budget for fiscal year 2018-19, which includes a General Fund Budget of \$9,654,208, a Water Purchases Budget of \$204,099,094, a Water Use Efficiency Budget of \$2,972,135, a WEROC budget of \$489,160, for a total Budget of \$217,214,597. Said RESOLUTION NO. 2069 as adopted by the following roll call vote:

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

**PROPOSED MWDOC WATER RATE RESOLUTION FOR FISCAL YEAR 2018-19**

Upon MOTION by Director Thomas, seconded by Director Finnegan, and carried (6-0), the Board (1) increased the MWDOC Retail Meter Charge from \$11.90 to \$12.25 per meter, and the Groundwater Customer Charge from \$468,565 to \$499,012, effective July 1, 2018; and (2) adopted RESOLUTION NO. 2070 establishing rates and charges to be effective July 1, 2018 and January 1, 2019 consistent with the budget. Said RESOLUTION NO. 2070 was adopted by the following roll call vote:

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

**WATER UCI INDUSTRY-UNIVERSITY COOPERATIVE RESEARCH CENTER**

President Barbre advised that the Administration & Finance Committee recommended the full Board discuss potential financial participation (a \$30,000 annual commitment for five years; beginning in the 2019-20 fiscal year).

Directors Yoo Schneider, Tamaribuchi, and Thomas all expressed support for participation, noting it provides an opportunity to leverage funds for research in areas of interest to MWDOC. Directors Dick and Finnegan suggested deferring further discussion and participation until the next budget process (2019-20).

Director Yoo Schneider made a MOTION, which was seconded by Director Thomas, authorizing an annual commitment of \$30,000 for five years beginning with the 2019-20 fiscal year. Said MOTION failed by a vote of 3-3. Directors Yoo Schneider, Tamaribuchi, and Thomas voted in favor; Directors Barbre, Dick, and Finnegan opposed; Director Osborne was absent.

**AB 2241 (RUBIO) – THE OPEN AND TRANSPARENT WATER DATA ACT**

Upon MOTION by Director Dick, seconded by Director Thomas, and carried (6-0), the Board adopted a support position on AB 2241 (Rubio). Directors Barbre, Dick, Finnegan, Yoo Schneider, Tamaribuchi, and Thomas voted in favor. Director Osborne was absent.

**AB 2543 (EGGMAN) – STATE AGENCIES: INFRASTRUCTURE PROJECT BUDGET AND SCHEDULE**

Upon MOTION by Director Dick, seconded by Director Thomas, and carried (6-0), the Board adopted an oppose unless amended position on AB 2543 (Eggman). Directors Barbre, Dick, Finnegan, Yoo Schneider, Tamaribuchi, and Thomas voted in favor. Director Osborne was absent.

**RECOMMENDATION FOR MWDOC SCHOOL PROGRAM GRADES 1-6 FIRST EXTENSION OF AGREEMENT FOR FISCAL YEAR 2018-19**

Upon MOTION By Director Dick, seconded by Director Yoo Schneider, and carried (6-0), the Board authorized the General Manager to enter into a First Extension of Agreement with Discovery Science Center (DSC) for a one-year renewal term to implement the Water Education School Program Grades 1-6 for fiscal year 2018-19. Directors Barbre, Dick, Finnegan, Yoo Schneider, Tamaribuchi, and Thomas voted in favor. Director Osborne was absent.

**RECOMMENDATION FOR MWDOC SCHOOL PROGRAM GRADES 9-12 FIRST EXTENSION OF AGREEMENT FOR FISCAL YEAR 2018-19**

President Barbre advised that the Public Affairs & Legislation Committee held a lengthy discussion on this item and although they recommended approval of the staff recommendation, he would prefer the Board action be split between the portions that are “core” and “choice”.

Director Dick commented that if the program is a “choice” program it should remain as such and not include additional “core” funding, noting, however, that he could support a one-time “core” expenditure.

Director Barbre expressed frustration with the continued “core” funding requests as the program is a “choice” program; he suggested Inside the Outdoors anticipate changes/additions to its funding and work these amounts into the contract (similar to Discovery Science Center).

Following discussion, and upon MOTION by Director Yoo Schneider, seconded by Director Thomas, and carried (6-0), the Board authorized the General Manager to enter into a First Extension of Agreement with Inside the Outdoors (ITO) for a one-year renewal term to implement the Water Education School Program Grades 9-12 for fiscal year 2018-19. Directors Barbre, Dick, Finnegan, Yoo Schneider, Tamaribuchi, and Thomas voted in favor. Director Osborne was absent.

**INFORMATION CALENDAR**

**GENERAL MANAGER'S REPORT, APRIL 2018**

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

General Manager Hunter highlighted the upcoming the Water Policy dinner scheduled for April 19, 2018.

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 Thomas noted his attendance at the MWDOC regularly scheduled Committee/Board meetings (Planning & Operations, Administration & Finance, and the Public Affairs & Legislation, Committee meetings, and the Regular and Workshop Board meetings), the Santiago Aqueduct Commission meeting, the OC Water Summit planning meeting, and a meeting with the South County agencies.

Director Tamaribuchi stated that he attended all of the regularly scheduled MWDOC meetings except the Administration & Finance Committee (Planning & Operations, Public Affairs & Legislation, and Executive Committee meetings, along with the Workshop and Regular Board meetings), as well as the OCBC Infrastructure Committee meeting, the WACO meeting, the Water UCI seminar on the Colorado River Basin, the El Toro Water District garden dedication, a meeting with the South County agencies, the Ad Hoc Committee on Desalination meeting, and a climate meeting he and Karl Seckel attended with Professor Sorooshian.

Director Finnegan advised that she attended the Planning & Operations and Public Affairs & Legislation Committee meetings, as well as the Workshop and Regular Board meetings, the ISDOC luncheon, and the retirement luncheon for Pat Meszaros. Ms. Finnegan thanked the MWDOC MET Directors for their efforts with the California WaterFix.

Director Dick reported on attending the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, Public Affairs & Legislation, and Executive Committee meetings, as well as the Workshop and Regular Board meetings), the MET Board and Committee meetings, a meeting with Feedy Maris, the MWDOC MET Director meeting prior to the MET Executive Committee, the MET Executive Committee meeting, the Lincoln Club meeting regarding the California Water Fix, the Ad Hoc Committee on Desalination meeting, the Urban Water Institute conference and meeting, the ISDOC meeting, the Serrano Water District meeting, the MET Caucus, the Elected Officials Forum, the WACO meeting, and the OC Taxpayers Association meeting.

Director Dick thanked Director Barbre and staff for their efforts with respect to the recent California WaterFix financing vote at MET.

Director Yoo Schneider reported on attending the MWDOC Planning & Operations and Public Affairs & Legislation Committee meetings, the Workshop Board meeting, the Elected Officials Forum, a meeting in Sacramento to participate in the California Environmental dialogue, a tour of Girl Scouts Center, the Mimi Walters federal grants workshop, the meeting with South County agencies, a speaking engagement at Santa Ana College regarding careers and STEM, the Santa Margarita Water District meeting, the El Toro Water District garden dedication, the P3 Water

Summit conference, the WACO meeting, an interview with KSBR radio (with Director Thomas) regarding water awareness, and South Coast Water District meeting.

Director Barbre reported on attending the following meetings in his capacity as MET Director: the MWDOC/OCWD/YLWD joint committee meeting, the MWDOC MET Directors strategy meeting (fourth Monday), the fourth Tuesday Committee day, the MWDOC MET Caucus, the Western Municipal Water District Board meeting, the MET Caucus (Inland Empire), the WACO meeting, the MET Board and Committee meetings, the Central Basin Municipal Water District Board meeting, and the Santa Ana City Council meeting. He reported on attending the following meetings in his capacity as MWDOC Director: the Planning & Operations, Administration & Finance, Public Affairs & Legislation, and Executive Committee meetings, the Workshop and Regular Board meetings, the Elected Officials Forum, the Ad Hoc Committee meeting on Desalination, and the retirement event for Pat Meszaros.

**B. REQUESTS FOR FUTURE AGENDA TOPICS**

President Barbre referenced MET's treated and untreated water rates and suggested an analysis on how these rates are positioned with OCWD's rates, including a forecast on whether rates will cross in the future, and whether/how this would affect sales be conducted. Mr. Hunter advised he would speak with OCWD General Manager Markus regarding OCWD's long-term projections for their rates.

**ADJOURNMENT**

There being no further business to come before the Board, President Barbre adjourned the meeting at 9:14 a.m., in memory of former First Lady Barbara Bush.

Respectfully submitted,

---

Maribeth Goldsby, Secretary