

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
June 19, 2019**

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 McVicker led the Pledge of Allegiance, Director Thomas conducted an invocation, and Secretary Goldsby called the roll.

MWDOC DIRECTORS

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

STAFF

Robert Hunter, General Manager
Karl Seckel, Assistant General Manager
Alisha Winterswyk, Legal Counsel
Maribeth Goldsby, Board Secretary
Harvey De La Torre, Associate General Manager
Damon Micalizzi, Dir. of Public Affairs
Melissa Baum-Haley, Sr. Water Resources Analyst
Joe Berg, Director of Water Use Efficiency
Heather Baez, Governmental Affairs Manager

ALSO PRESENT

Jose Vergara
Peer Swan
Jim Atkinson
Stacy Taylor
Don Froelich
Kelly Rowe
Greg Mills
Dennis Erdman
Rick Shintaku
Brooke Jones
Christine Carson

El Toro Water District
Irvine Ranch Water District
Mesa Water District
Mesa Water District
Moulton Niguel Water District
Orange County Water District
Serrano Water District
South Coast Water District
South Coast Water District
Yorba Linda Water District
Aleshire & Wynder

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.

Director Jim Atkinson (Mesa Water) thanked MWDOC for support on the California United Water Symposium to be held) June 26-28, 2019 in Auburn, California.

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.

EMPLOYEE SERVICE AWARDS

President Barbre, along with General Manager Hunter, presented awards to Heather Baez for five years of service to the District, and Kelly Hubbard for fifteen years of service to the District.

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 Thomas, seconded by Director Tamaribuchi, and carried (5-0), the Board approved the following Consent Calendar items. Directors Barbre, Dick, McVicker, Tamaribuchi, and Thomas and voted in favor; Directors Finnegan and Yoo Schneider were absent.

MINUTES

The following minutes were approved.

- May 1, 2019 Workshop Board Meeting (adjourned)
- May 15, 2019 Regular Board Meeting
- May 21, 2019 Special Board Meeting
- May 29, 2019 Special Board Meeting

COMMITTEE MEETING REPORTS

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

- Combined Planning & Operations/ Administration & Finance
Committee Meeting: May 6, 2019
- Public Affairs & Legislation Committee Meeting: May 20, 2019
- Executive Committee Meeting: May 16, 2019

TREASURER'S REPORTS

The following items were ratified and approved as presented.

- MWDOC Revenue/Cash Receipt Register as of May 31, 2019

MWDOC Disbursement Registers (May/June)

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 April 30, 2019

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 April 30, 2019

LANDSCAPE DESIGN AND MAINTENANCE ASSISTANCE PROGRAM

The Board authorized the General Manager to enter into professional services agreements not to exceed \$160,000 with: (1) The Plant Nerd, Inc. and EcoTech Services to provide landscape design assistance; (2) The Plant Nerd, Inc. and TerraWorks Studio to provide landscape maintenance assistance; and (3) Other firms (to be determined) who demonstrate they are qualified to do the work and agree to a competitive fee structure.

AMENDMENTS TO ADMINISTRATIVE CODE SECTION 9500

The Board authorized staff to update the Administrative Code for Section 9500.

2019-20 PAY STRUCTURE ADJUSTMENT

The Board approved the proposed Pay Structure Schedule, adjusting the District salary ranges by 3.8%, as approved during the budget process.

AWARD CONTRACT FOR ELECTRICAL SYSTEM REHABILITATION PROJECT

The Board approved entering into the subject agreement for improvements to the MWDOC administration building electrical system: (1) Made a CEQA finding that the project is categorical exempt under: Class 1-Existing Facilities; (2) Awarded AVRAM Electric "MWDOC Electrical System Rehabilitation Project" construction contract in the amount of \$213,883.00; (3) Authorized the General Manager to enter into a license agreement with OCWD to install and maintain underground electric utilities and related equipment on OCWD property, and pay OCWD a one-time license fee of \$1,148.00.

- END CONSENT CALENDAR -

ACTION CALENDAR**SB 200 (MONNING) – SAFE AND AFFORDABLE DRINKING WATER FUND**

Director Thomas expressed concern with the legislation, noting that it allows the fund to be set up, but is not clear as to funding sources. He believed this may eventually allow a “tax” to fund the “fund”; Director Barbre concurred.

Director McVicker made a MOTION, which was seconded by Director Dick, to adopt a support position on SB 200 (Monning) the Safe and Affordable Drinking Water Fund. Said MOTION failed by a vote of 3-2. Directors Dick, McVicker and Tamaribuchi voted in favor; Directors Thomas and Barbre opposed; and Directors Finnegan and Yoo Schneider were absent.

AB 402 (QUIRK) – STATE WATER RESOURCES CONTROL BOARD: LOCAL PRIMACY AGENCIES, FUNDING STABILIZATION

Upon MOTION by Director Thomas, seconded by Director McVicker, and carried (5-0), the Board adopted an oppose unless amended position on AB 402 (Quirk), State Water Resources Control Board: local primacy delegation: funding stabilization program. Directors Barbre, Dick, McVicker, Tamaribuchi, and Thomas voted in favor. Directors Finnegan and Yoo Schneider were absent.

H.R. 2313 (HUFFMAN) – WATER CONSERVATION REBATE TAX PARITY ACT

Upon MOTION by Director Dick, seconded by Director Thomas, and carried (4-1), the Board voted to adopt a support position on H.R. 2313 (Huffman). Directors Dick, McVicker, Tamaribuchi & Thomas voted in favor; Director Barbre opposed; and Directors Finnegan and Yoo Schneider were absent.

EXTENSION OF CONSULTING CONTRACT WITH ACKERMAN CONSULTING

Upon MOTION by Director Thomas, seconded by Director McVicker, and carried (5-0), the Board authorized the extension of the contract with Ackerman Consulting for specialized services. Directors Barbre, Dick, McVicker, Tamaribuchi & Thomas voted in favor; Directors Finnegan and Yoo Schneider were absent.

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) REGION 10 CALL FOR CANDIDATES

Director Tamaribuchi advised that although MWDOC MET Director Larry McKenney had originally indicated a desire for MWDOC to nominate him to the ACWA Region 10 Board, he has now sent a letter withdrawing his interest in doing so. President Barbre asked that the letter be distributed to the Board. No member of the MWDOC Board expressed an interest in running for the Region 10 Board. No action was taken.

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) 2019 BOARD OF DIRECTORS ELECTION – SOUTHERN NETWORK REGION, SEAT B

Upon MOTION by Director Dick, seconded by Director Thomas, and carried (5-0), the Board authorized President Barbre, or his designee, to cast the District’s ballot in favor of candidate Greg Mills (Serrano Water District) for the CSDA 2019 Board of Directors Election – Southern Network Region, Seat B. Directors Barbre, Dick, McVicker, Tamaribuchi & Thomas voted in favor; Directors Finnegan and Yoo Schneider were absent.

SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY (SDRMA) BOARD OF DIRECTORS ELECTION

Upon MOTION by Director Dick, seconded by Director Thomas, and carried (5-0), the Board authorized President Barbre, or his designee, to cast the District’s ballot for the SDRMA Board of Directors. Directors Barbre, Dick, McVicker, Tamaribuchi & Thomas voted in favor; Directors Finnegan and Yoo Schneider were absent.

AB 1752 (PETRIE-NORRIS): DOHENY DESALINATION FACILITY

Mr. Rick Shintaku (General Manager, South Coast Water District) thanked the MWDOC Board for setting the foundation for the Doheny Desalination Project, which falls directly in line with the recently published OC Reliability Study, as well as MET’s Integrated Resources Plan. He encouraged support for AB 1752, and invited the Board to attend the Doheny Desalination Project’s final draft EIR hearing scheduled for Thursday, June 27, 2019 at 6:00 pm.

Director Barbre suggested the co-author of the legislation also be mentioned (Assemblyman Bill Brough).

Upon MOTION by Director Dick, seconded by Director Thomas, and carried (5-0), the Board adopted a support position on AB 1752. Directors Barbre, Dick, McVicker, Tamaribuchi & Thomas voted in favor; Directors Finnegan and Yoo Schneider were absent.

INFORMATION CALENDAR

GENERAL MANAGER’S REPORT, JUNE 2019

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

General Manager Hunter advised that he would be attending the Doheny Desalination Project final draft EIR hearing on June 27th.

Mr. Hunter also distributed lapel pins to the Board (with MWDOC’s logo), as well as a plaque from the County of Butte Board of Supervisors thanking MWDOC for the assistance provided during the “Camp Fire”.

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 OC Water Summit, the ACWA conference, the Special Board meetings regarding the Division 3 vacancy. He noted he would be attending a Girl Scout event at Santa Margarita Water District.

Director Tamaribuchi reported on attending the regularly scheduled MWDOC meetings except the Executive Committee, (Planning & Operations, Administration & Finance, and Public Affairs & Legislation Committee meetings, as well as the Workshop and Regular Board meetings), the OC Water Summit, the WACO meeting, the MNWD/BIA Water & Housing Forum, and a meeting with representatives from OC CoastKeeper.

Director McVicker reported on attending the regularly scheduled MWDOC meetings (since his appointment on June 5th), including the Administration & Finance and Public Affairs & Legislation Committee meetings. He also attended the Mesa Water District Board meeting, and will be attending the ISDOC luncheon to be held later in the month.

Director Dick reported on attending the regularly scheduled meetings (Planning & Operations, Administration & Finance and Executive Committee meetings, and Board and Workshop meetings), as well as the Special meetings regarding the Division 3 vacancy, Urban Water Institute planning meeting, MET's Solar Cup event, the WACO Planning and WACO meetings, the MET employee service luncheon, the OC Water Summit, the ISDOC meeting, a meeting with Supervisor Chaffee's office, the Garden Grove Legislative Committee meeting, the MET Executive Committee meeting, the MET Board and Committee meetings, and the MET Caucus.

Director Barbre advised that he submitted a written report to Secretary Goldsby. He noted that the written report included the following meetings in his capacity as MET Director: the Poster Awards Ceremony at Discovery Cube, the MET Committee day (late), a meeting with Scott Maloni (Poseidon), the MWDOC/MET Director caucus (early), a meeting with the BUREC Commissioner, a meeting with MET Chair Gloria Gray, and the Regional Water Quality Control Board hearing regarding Poseidon issues. He also noted that he was invited to testify at the House National Resources Subcommittee on Water, Oceans, and Wildlife. In his capacity as MWDOC Director he attended the following meetings: the Executive, Public Affairs & Legislation (May and June), and Planning & Operations Committee meetings, the Workshop Board meeting, the Special Board meetings regarding the Division 3 vacancy (including interviews), a meeting with Tustin Councilman Bernstein, the OC Water Summit, a meeting with Jim Barker, and he attended the Placentia Library Commission meeting. Director Barbre noted he also attended the Fairmont Booster Pump Station Dedication ceremony.

b. REQUESTS FOR FUTURE AGENDA TOPICS

Although, no additional topics for future agendas were requested, President Barbre asked Mr. Hunter several questions relating to the General Manager's responsibilities relative to the Board members and staff (e.g., relating to compliance with the Personnel Manual, Conflict of Interest Laws, campaign disclosure, residency laws, travel and expenses, and personnel training requirements).

CLOSED SESSION ITEMS

At 9:08 a.m., Legal Counsel Winterswyk announced that the Board would adjourn to closed session, for a conference with Legal Counsel Winterswyk on the following matter:

CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: (One case)

At 9:51, a.m, Legal Counsel Winterswyk exited the meeting, and the Board adjourned to closed session for a conference with Legal Counsel Christine Carson on the following matters:

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9. One Case: San Diego County Water Authority v. Metropolitan Water District of Southern California; all persons interested in the validity of the rates adopted by the Metropolitan Water District of Southern California on April 13, 2010, et al., former Los Angeles Superior Court, Case No. BS 126888, transferred on October 21, 2010, to San Francisco Superior Court, Case No. CPF-10-510830. [On Remand from Court of Appeal Case No. A146901]

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Paragraph (1) of subdivision (d) of Government Code 54956.9. One Case: San Diego County Water Authority v. Metropolitan Water District of Southern California; all persons interested in the validity of the rates adopted by the Metropolitan Water District of Southern California on April 10, 2012 to be Effective January 1, 2013 and January 1, 2014; and Does 1-10, et al., former Los Angeles Superior Court, Case No. BS137830, transferred on August 23, 2012, to San Francisco Superior Court, Case No. CPF-12-512466. [On Remand from Court of Appeal Case No. A148266]

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9. One Case: San Diego County Water Authority v. Metropolitan Water District of Southern California; all persons interested in the validity of the rates adopted by the Metropolitan Water of Southern California on April 8, 2014, et al., former Los Angeles Superior Court, Case No. BC547139, transferred on December 2, 2014, to San Francisco Superior Court, Case No. CPF-14-514004.

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9. One Case: San Diego County Water Authority v. Metropolitan Water District of Southern California; all persons interested in the validity of the rates adopted by the Metropolitan Water District of Southern California on April 12, 2016, effective January 1, 2017 and January 1, 2018, et al., former Los Angeles Superior Court, Case No. No. BS161729, transferred to San Francisco Superior Court, Case CPF-16-515282.

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9. One Case: San Diego County Water Authority v. Metropolitan Water District of Southern California; all persons interested in the validity of the rates adopted by the Metropolitan Water District of Southern California in 2017 to be effective January 1, 2018, et al., Los Angeles Superior Court, Case No. BS 169881, transferred to San Francisco Superior Court Case CGC-17-563350.

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9. One Case: San Diego County Water Authority v. Metropolitan Water District of Southern California; all persons interested in the validity of the rates adopted by the Metropolitan Water District of Southern California on April 10, 2018 to be effective January 1, 2019, and Jan. 1, 2020, et al., Los Angeles Superior Court, Case No. BS 173868, Transferred to San Francisco Superior Court, Case CPF-18-516389.

(Director Tamaribuchi left the meeting at 10:17 a.m.).

RECONVENE

The Board reconvened at 10:38 a.m., and President Barbre announced that no reportable action was taken in closed session.

ADJOURNMENT

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

Respectfully submitted,

Maribeth Goldsby, Secretary