

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
October 21, 2020**

At 8:30 a.m., President Tamaribuchi called to order the Regular Meeting of the Municipal Water District of Orange County, via the Zoom Webinar application (pursuant to the Governor's Executive Order due to the spread of the COVID-19 virus, the meeting was conducted via Zoom). Secretary Goldsby called the roll.

MWDOC DIRECTORS

Vacant
Larry Dick
Joan Finnegan
Bob McVicker
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, Prin. Water Resources Analyst
Cathy Harris, Director of H.R. & Administration
Damon Micalizzi, Director of Public Affairs
Heather Baez, Government Affairs Manager
Joe Berg, Director of Water Use Eff. Programs
Hilary Chumpitazi, Accounting Manager
Chris Lingad, Associate Engineer
Kevin Hostert, Water Resources Analyst
Charles Busslinger, Principal Engineer
Alex Heide, Water Resource Analyst
Vicki Osborn, Director of Emergency Management
Mary Snow, Accountant
Judy Roberts, Accountant

ALSO PRESENT

Patrick Skahan
Linda Ackerman
Larry McKenney
Kathryn Freshley
Mark Monin
Jose Vergara
Dennis Cafferty
Brian Ragland
Doug Reinhart
Peer Swan
Paul Weghorst
Debbie Neev
Jim Atkinson
Don Froelich
Kelly Rowe
John Kennedy
Adam Hutchinson

Best, Best & Krieger
MWDOC/MET Director
MWDOC/MET Director
El Toro Water District
El Toro Water District
El Toro Water District
El Toro Water District
El Toro Water District
City of Huntington Beach
Irvine Ranch Water District
Irvine Ranch Water District
Irvine Ranch Water District
Laguna Beach County Water District
Mesa Water
Moulton Niguel Water District
Orange County Water District
Orange County Water District
Orange County Water District

Saundra Jacobs
 Chuck Gibson
 Dan Ferons
 Jim Leach
 Greg Mills
 Dennis Erdman
 Brooke Jones
 Wayne Miller
 Al Nederhood
 Veronica Blette
 John Lewis
 Kristy Khachigian

Santa Margarita Water District
 Santa Margarita Water District
 Santa Margarita Water District
 Santa Margarita Water District
 Serrano Water District
 South Coast Water District
 Yorba Linda Water District
 Yorba Linda Water District
 Yorba Linda Water District
 EPA WaterSense
 Lewis Consulting
 KK Consulting

PUBLIC PARTICIPATION/PUBLIC COMMENT

President Tamaribuchi 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. Tamaribuchi 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 Tamaribuchi inquired as to whether there were any items distributed to the Board less than 72 hours prior to the meeting.

General Manager Hunter advised that the District received a letter from El Toro Water District regarding Item No. 5 on the agenda (Economic Benefits Studies and Modeling Work to Quantify the Benefits of Local Projects and to understand the Potential Implications of MET’s 2020 Integrated Resources Plan). Said letter was distributed to the Board and made available to the public.

EMPLOYEE SERVICE AWARD

General Manager Hunter, along with Accounting Manager Hilary Chumpitazi, presented an award to Mary Snow for ten years of service with the District.

PRESENTATION OF EPA WATERSENSE EXCELLENCE AWARD

Ms. Vernoica Blette presented the EPA WaterSense Excellence award to the District.

CONSENT CALENDAR

President Tamaribuchi stated all matters under the Consent Calendar would be approved by one MOTION unless a Director wished to consider an item separately.

Mr. John Kennedy (OCWD) requested to speak on Item No. 6 (Award Construction Contract for Administration Building Seismic Retrofit & Remodel); President Tamaribuchi suggested this item be pulled from the Consent Calendar for further discussion.

Director Thomas requested Items 5 (Economic Benefits Studies and Modeling Work to Quantify the Benefits of Local Projects and to understand the Potential Implications of MET’s 2020 Integrated Resources Plan) and 11 (Award Contract for Purchase of Office Furniture to Office Solutions (IOS)/DBA People Space, Under the County of Orange Regional Cooperative Agreement (RCA) be pulled from the Consent Calendar for further discussion

Upon MOTION by Director Finnegan, seconded by Director Thomas, and carried (6-0) the Board approved the balance of Consent Calendar items, by the following roll call vote:

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

MINUTES

The following minutes were approved.

- September 2, 2020 Workshop Board Meeting
- September 16, 2020 Regular Board Meeting
- September 16, 2020 MWDOC Water Facilities Corporation Board Meeting
- September 3, 2020 Special Board Meeting
- September 25, 2020 Special Board Meeting
- October 1, 2020 Special Board Meeting

COMMITTEE MEETING REPORTS

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

- Planning & Operations Committee Meeting: September 8, 2020
- Administration & Finance Committee Meeting: September 9, 2020
- Public Affairs & Legislation Committee Meeting: September 21, 2020
- Executive Committee Meeting: September 17, 2020

TREASURER'S REPORTS

The following items were ratified and approved as presented.

MWDOC Revenue/Cash Receipt Register as of September 30, 2020
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, 2020

PARS Monthly Statement (OPEB Trust)

Water Use Efficiency Projects Cash Flow

FINANCIAL REPORT

The following item was received and filed as presented.

Combined Financial Statements and Budget Comparative for the period ending August 31, 2020

APPROVAL OF AGREEMENT WITH METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA AND THE METROPOLITAN MEMBER AGENCIES OF THE SANTA ANA RIVER CONSERVATION AND CONJUNCTIVE USE PROGRAM

The Board authorized the General Manager to execute the Santa Ana River Conservation and Conjunctive Use Program (SARCCUP) agreement, subject to any non-substantive changes or modifications. This agreement is between Metropolitan Water District of Southern California (Metropolitan) and the four Metropolitan Member Agencies of Eastern Municipal Water District, Inland Empire Utilities Agency, Western Municipal Water District, and MWDOC (collectively referred to as the SARCCUP-MWD Member Agencies).

APPROVE HEALTH SAVINGS ACCOUNT (HSA) ELECTIONS FOR 2021/ NEW HSA ADMINISTRATOR AND REVISIONS TO DISTRICT HSA POLICY

The Board (1) established HSA contribution amounts for 2021, per JPIA guidelines, which remain unchanged from 2020; (2) approved the proposed revisions to District Policy regarding HSA Accounts and authorize revision to the Personnel Manual; (3) authorized distribution of the contributions to the 2021 HSA Accounts, per MWDOC policy and JPIA guidelines; and (4) authorized JPIA to administer the Health Savings Accounts through their vendor, Health Equity.

APPROVE NEW FLEXIBLE BENEFITS AND COBRA ADMINISTRATOR

The Board approved Igoe as the administrator for the District's Flexible Spending Benefits Plan (Section 125 spending plans, including Health Care and Dependent Care) and COBRA administration for medical and vision plans, effective January 1, 2021.

AUTHORIZE FY 20-21 CHOICE PROGRAMS BUDGET REVISIONS

The Board approved the Choice Programs budget revisions.

- END CONSENT CALENDAR -**ITEMS PULLED FROM THE CONSENT CALENDAR FOR FURTHER DISCUSSION****ECONOMIC BENEFIT STUDIES AND MODELING WORK TO QUANTIFY THE BENEFITS OF LOCAL PROJECTS AND TO UNDERSTAND THE POTENTIAL IMPLICATIONS OF MET'S 2020 INTEGRATED RESOURCES PLAN (IRP)**

Considerable discussion was held regarding this item, with specific emphasis on whether the item was urgent or whether it could wait, why funding for the item was coming from reserves rather than budgeted (a Board request during the budget process), and whether the previously completed OC Reliability Study addressed the issues outlined in the staff report. General Manager Hunter outlined the process and active discussions MWDOC had held with MWDOC's Member Agencies over the last several months, noting that in April 2020, MWDOC staff recommended the Board consider this item because staff believed the studies would be useful to MWDOC and to our member agencies in better understanding the reliability benefits that come from the implementation of various local projects in Orange County, as well as helpful in contributing to the IRP process. He noted that at that time, input was provided by several member agencies requesting further discussion and time to digest the need for, and the scope of, the studies (at that time, MWDOC's agencies were not supportive of moving forward).

Mr. Hunter then outlined the discussions held since April 2020, with our member agencies concerning the nature and scope of the economic studies. The need for the studies was discussed at several meetings with our agencies along with other items such as MWDOC's role and mission, the hydraulic model, and MWDOC's water rate resolution and ordinance. MWDOC committed to include Dr. David Sunding at a workshop in July where the entire meeting was dedicated to a discussion of the economic studies. The agencies input from the July meeting was captured and discussed at the Managers meeting with our agencies in August. Subsequently, a second dedicated workshop was held in September to focus entirely on the context of the economic studies and to further discuss the scope of work. Dr. David Sunding, Dr. Wallace Walrod, and Dan Rodrigo from CDM Smith were at the September workshop.

Based upon member agency input, the approach previously considered in April has been broadened and the scope of work by Dr. David Sunding has been modified and reduced in cost. The survey work is now focused on surveying the business community to determine how they might be impacted by both emergency water shortages (i.e. earthquakes) which are severe shorter-term shortages; and by longer-term and less severe shortages (i.e. droughts). The

residential impacts will now not require a survey of consumers. Dr. Sunding has indicated there is substantial information on the residential impacts of water shortages and he will rely on published data for this part of the study. Staff has amplified the background information to assist our agencies in understanding the nature of the work and why staff is interested in pursuing the work.

Due to the delayed start on this work in order to hold discussions with the member agencies, combined with the need to coordinate some of the modeling work with MET’s IRP modeling, the schedule will be phased such that some of the work products will become available during MET’s IRP discussions and others will become available during the policy discussions phase of MET’s IRP. The modeling and demand projections are slated for completion in January 2021 while the economic studies will trail this work and be completed in April 2021.

Directors Dick and McVicker expressed support for moving forward with the item, emphasizing the benefits to the IRP process.

Although several attendees weighed in expressing concern with continuing with the project, citing economic issues due to COVID-19, the issue of whether the results would be meaningful, whether the surveys should be completed by the member agencies, and whether the OC Reliability Study would be equally as helpful to the IRP process, it was noted that the member agency managers appeared to not oppose moving forward with the proposed studies.

(Director Dick left the meeting at 9:15 a.m.)

Upon MOTION by Director McVicker, seconded by Director Yoo Schneider, and carried (5-0), the Board authorized the General Manager to enter into a consulting contract with the Brattle Group to complete the economic benefit studies as outlined in the staff write up, in the estimated amount of \$245,000, plus additional support services by CDM Smith not to exceed \$25,000 for a total estimated cost not to exceed \$270,000. The following roll call vote was taken:

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

AWARD CONSTRUCTION CONTRACT FOR ADMINISTRATION BUILDING SEISMIC RETROFIT & REMODEL

Mr. John Kennedy (OCWD) thanked MWDOC staff for working with OCWD to reach a viable solution to MWDOC’s storage needs, however he noted that the staff recommendation left the arbitration option open.

President Tamaribuchi thanked Mr. Kennedy, and OCWD staff for their efforts it working towards a viable solution.

Upon MOTION by Director Thomas, seconded by Director Finnegan, and carried (5-0), the Board:

- (1) Received the Bid Protest and any evidence presented by RT Contractor Corporation and rejected the Bid Protest;
- (2) Waived all discrepancies and deficiencies and awarded Optima RPM, Inc. the “MWDOC Administration Building Seismic Retrofit, ADA Compliance, and Tenant Improvement Project” construction contract as the lowest responsive and responsible bidder in the amount of \$1,606,878.00 excluding construction of a storage room outside of Conference Room 101 with the expectation of resolving the furniture and storage needs for Conference Room 101 with OCWD and instead accept OCWD’s offer to make additional resources available:
 - OCWD to increase the size of the existing Board room storage area, for storage of MWDOC furniture,
 - Storage of WEROC EOC support materials in the basement of the microfiltration building (which is designed to a higher seismic standard than the redesigned MWDOC building),
 - OCWD to provide labor to setup/tear down tables for MWDOC Conference Room 101 meetings if the furniture is stored in the Board room storage area (at no cost to MWDOC).
- (3) Additionally, authorized a 20% contingency in the amount of \$321,375.40 for a total Not to Exceed amount of \$1,928,144.40;
- (4) Authorized award of the construction contract;
- (5) Additionally, authorized supporting contracts and approved the license agreement with OCWD through the following actions:
 - Make a CEQA finding that the project is categorical exempt under: Class 1-Existing Facilities.
 - Authorized the General Manager to enter into a license agreement with OCWD for the purposes of constructing the MWDOC administration building improvements containing an explicit exclusion for construction of a storage room outside of Conference Room 101, and pay OCWD a one-time license fee of \$1,148.00. Directed staff to continue to work OCWD to resolve the furniture and storage needs for Conference Room 101, while leaving the option of future arbitration with OCWD open.
 - Authorized an increase in the IDS Architectural, Space Planning, Interior Design and Construction Administration Services Contract in the amount of \$58,667.00 to include additional Architectural, Interior Design and Engineering support services through to the conclusion of the project.
 - Authorized an increase in the ABS Owner’s Representative Services Contract in the amount of \$36,900.00 to increase the contract scope of work to include move management services through all phases of construction.
 - Awarded SPS Data Communications a contract for IT Support Services for a total Not to Exceed amount of \$13,912.50.

A roll call was vote was taken:

AYES: Directors Finnegan, McVicker, Yoo Schneider, Tamaribuchi & Thomas
NOES: None

ABSENT: Director Dick
ABSTAIN: None

AWARD CONTRACT FOR PURCHASE OF OFFICE FURNITURE TO OFFICE SOLUTIONS (IOS)/DBA PEOPLE SPACE UNDER THE COUNTY OF ORANGE REGIONAL COOPERATIVE AGREEMENT (RCA)

Responding to an inquiry from Director Thomas, General Manager Hunter confirmed that this item was included in the budget (a typo on the write up indicated it was not).

Upon MOTION by Director Thomas, seconded by Director Finnegan, and carried (5-0), the Board Awarded the contract for the purchase of office furniture to Interior Office Solutions, DBA PeopleSpace in the total amount of \$300,000 (Phases 1-3; FY2020-21) under the County of Orange Regional Cooperative Agreement. Use of this agreement is in accordance with the District’s Administrative Code and the final contract is subject to review and approval by District Counsel. Use of the agreement discounts the Haworth brand furniture list price by 55% to 68%. This contract amount has been further reduced to incorporate the proposed partial use of Joint Board Room furniture. Additional purchases under this contract will be included in the FY2021-22 budget (Phase 4 & Glass Walls Construction) and brought to the Board of Directors next fiscal year.

A roll call was vote was taken:

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

ACTION CALENDAR

JOINT CONTRACT BETWEEN MWDOC AND OCWD TO HIRE CDM SMITH TO UPDATE DEMAND PROJECTIONS FOR AGENCIES IN ORANGE COUNTY

General Manager Hunter thanked OCWD for their efforts in working toward a thoughtful and equitable division of the costs on this item.

Upon MOTION b Director McVicker, seconded by Director Finnegan, and carried (5-0), the board authorized the General Manager to enter into a consulting contract with Orange County Water District (OCWD) and/or consultant CDM Smith to update demand projections in Orange County for use in various planning efforts. The cost for CDM Smith is estimated at \$56,465, with the Municipal Water District of Orange County (MWDOC)’s cost share estimated at \$38,000 based on sharing the OCWD service area on a 50/50 basis and MWDOC paying for the South County and North County agencies outside of OCWD. A roll call was vote was taken:

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

ISDOC ELECTIONS

Upon MOTION by Director Yoo Schneider, seconded by Director Finnegan, and carried (5-0), the Board authorized the Public Affairs & Legislation Committee's recommendation, to authorize President Tamaribuchi, or his designee, to cast the District's ballot for the for the ISDOC Executive Committee. A roll call was vote was taken:

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

INFORMATION CALENDAR

GENERAL MANAGER'S REPORT, OCTOBER 2020

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. Due to COVID 19, most of the meetings outlined were attended virtually (via the Zoom webinar application).

Director McVicker reported that he attended all of the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, Public Affairs & Legislation, and Executive Committee meetings, as well as the Workshop Board and Regular Board meetings), the OCWA webinar, the OCBC Infrastructure Committee, the WACO and WACO Planning meetings, and the MET Committee meetings.

Secretary Goldsby advised that Director Dick submitted a written report of the meetings attended which were as follows. September: all of the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, Public Affairs & Legislation, and Executive Committee meetings, and the Workshop Board and Regular Board meetings), as well as the regularly scheduled MET Board and Committee meeting days, the MWDOC/MET Directors meeting in preparation for the MET Executive Committee meeting, the MET Executive Committee meeting, SMWD's tour of its Trampas facility, OC Taxpayer's Association meeting, MWDOC's Water Policy Forum, a meeting with Pringle & Associates, and the Harassment Prevention training by BBK. In October he attended: all of the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, Public Affairs & Legislation, and Executive Committee meetings, and the Workshop Board and Regular Board meetings), the Ethics Training by BBK, the WACO and WACO Planning meetings, the Ad Hoc Building Committee meeting, the ISDOC meeting, the MET training, the MWDOC/MET Directors meeting (first Wednesday), the MET Caucus, the MET Board and Committee meetings, the Urban Water Institute meeting, a meeting

regarding the MET GM recruitment, and a meeting regarding MWDOC's Legislative Advocacy RFPs.

Director Finnegan reported on her attendance at all of the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, Public Affairs & Legislation, and Executive Committee meetings, as well as the Workshop Board and Regular Board meetings), the Water Facilities Corporation Board meeting, the Harassment Prevention and Ethics trainings by BBK, the Ad Hoc Building Committee meeting.

Director Thomas stated that he attended all of the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, Public Affairs & Legislation, two meetings with South County agencies, the Ad Hoc Building Committee meeting, the Water Policy Forum, the OC Water Summit planning meeting, and the Harassment Prevention and Ethics trainings by BBK. He wished all those up for election, good luck.

Director Yoo Schneider advised that she attended all of the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, Public Affairs & Legislation, and Executive Committee meetings, as well as the Workshop Board and Regular Board meetings), as well as the Water Policy Forum, the Ad Hoc Committee re the advocacy contracts, Breakthrough San Juan Capistrano event, the Ad Hoc Building Committee meeting, Water UCI Leadership Board meeting, the SCWD Board meeting, the SMWD Board meetings (2) and SMWD Administration & Finance Committee meeting, SMWD's Trampas event, the virtual World Water Cities Forum conference, the meeting with South County agencies, the Water Environment Federation (WEF) Board of Trustees discussion regarding their diversity, equity and inclusion initiatives, the WEF Diversity, Equity & Inclusion Leadership Committee meeting, the WEF Leadership Council meeting, and WEF House of Delegates and Committee Leadership meetings. She also attended the California Water Environment Association (CWEA) Diversity, Equity & Inclusion meeting, the CWEA Executive Committee meeting, the OC Water Summit planning meeting, the San Diego Women in Water meeting, the U.N. Unleash Hack-a-Thon event, the Water Environment Association's Planning, Progress & Development meeting, the Women in Water planning meeting for the Cuyamaca College presentation, the San Juan Basin Authority meeting, a leadership seminar for the California Water Environment Association for the San Francisco Bay, and she participated on a panel for the Brave New World documentary.

Director Tamaribuchi reported on attending the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, Public Affairs & Legislation, and Executive Committee meetings, as well as the Workshop Board and Regular Board meetings), the SMWD Board meeting, the MWDOC/MET Director meetings (2), the Water Policy Forum, the Harassment Prevention and Ethics trainings by BBK, a meeting with MET staff regarding the IRP, a meeting with MET staff regarding Colorado River activities, a meeting with MET staff regarding the MET housing project, the MET Caucus, a meeting regarding the Advocacy RFPs, the WACO meeting, SMWD Trampas dedication, and the MET Board and Committee meetings.

REQUESTS FOR FUTURE AGENDA TOPICS

No requests were made.

CLOSED SESSION ITEMS

At 9:41 a.m., Legal Counsel Byrne advised the Board would adjourn to closed session regarding the following two matters:

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – Significant Exposure to Litigation Pursuant to Paragraph (2) of Subdivision (d) of Section 54956.9. Government Claims Act claims of Benjamin and Kendra Stevens; Joshua Ward; Mark Hadipour; Douglas Schaffer; Tammy Miller; and Valerie Mantecon against MWDOC; Claims for Property Damage related to alleged water/sewer leaks, Date of Claim Receipt - September 28, 2020 (Six Claims).

RECONVENE FROM CLOSED SESSION

The Board reconvened at 9:48 a.m., and Legal Counsel Byrne announced that in closed session, the Board unanimously voted to reject all of the claims outlined above (six claims), by the following roll call vote:

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

ADJOURNMENT

There being no further business to come before the Board, President Tamaribuchi adjourned the meeting at 9:49 a.m.

Respectfully submitted,

Maribeth Goldsby, Secretary