

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
May 20, 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

Brett R. Barbre
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
Joe Berg, Dir. of Water Use Efficiency
Cathy Harris, Director of H.R. & Administration
Damon Micalizzi, Director of Public Affairs
Heather Baez, Government Affairs Manager
Chris Lingad, Associate Engineer
Kevin Hostert, Water Resources Analyst
Charles Busslinger, Principal Engineer
Hilary Chumpitazi, Accounting Manager

ALSO PRESENT

Linda Ackerman
Larry McKenney
Doug Davert
Kathryn Freshley
Kay Havens
Mark Monin
Jose Vergara
Dennis Cafferty
Peer Swan
Paul Weghorst
Jim Atkinson
Kelly Rowe
John Kennedy
Saundra Jacobs
Dan Ferons
Greg Mills
Dennis Erdman
Bill Green
Fernando Paludi
Brooke Jones

MWDOC/MET Director
MWDOC/MET Director
East Orange County Water District
El Toro Water District
El Toro Water District
El Toro Water District
El Toro Water District
El Toro Water District
Irvine Ranch Water District
Irvine Ranch Water District
Mesa Water
Orange County Water District
Orange County Water District
Santa Margarita Water District
Santa Margarita Water District
Serrano Water District
South Coast Water District
South Coast Water District
Trabuco Canyon Water District
Yorba Linda Water District

Al Nederhood
Rupert Barnett
Dick Ackerman
Kristy Khachigian
Mike Elliott

Yorba Linda Water District
Orange County CoastKeepers
Ackerman Consulting
Kristy Khachigian 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 Public Comments were received, however President Tamaribuchi announced several Zoom meeting protocols with respect to comments to ensure smooth meeting progress.

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.

No items were distributed.

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.

Upon MOTION by Director Thomas, seconded by Director Finnegan, and carried (7-0) the Board approved the following Consent Calendar items, by the following roll call vote:

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

MINUTES

The following minutes were approved.

- April 1, 2020 Workshop Board Meeting
- April 15, 2020 Regular Board Meeting

COMMITTEE MEETING REPORTS

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

- Planning & Operations Committee Meeting: March 2, 2020 (revised)
- Planning & Operations Committee Meeting: April 6, 2020
- Administration & Finance Committee Meeting: April 8, 2020
- Public Affairs & Legislation Committee Meeting: April 20, 2020
- Executive Committee Meeting: April 16, 2020

TREASURER'S REPORTS

The following items were ratified and approved as presented.

- MWDOC Revenue/Cash Receipt Register as of April 30, 2020
- MWDOC Disbursement Registers (April/May)

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 March 31, 2020
- 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 March 31, 2019
- Quarterly Budget Review

TRAVEL TO WASHINGTON, DC TO COVER FEDERAL ADVOCACY INITIATIVES

The Board ratified the expenses as reported.

TRAVEL TO SACRAMENTO TO COVER STATE ADVOCACY INITIATIVES

The Board ratified the expenses as reported.

ANNUAL REVIEW AND UPDATES TO THE INVESTMENT POLICY AND GUIDELINES

The Board reaffirmed the District’s Investment Policy and Guidelines as adopted on May 15, 2019 (no changes).

ADOPT AMENDMENTS TO ADMINISTRATIVE CODE SECTION 1307 REGARDING THE POWERS AND DUTIES OF THE GENERAL MANAGER AS RECOMMENDED BY DIRECTOR BARBRE

The Board adopted the Amendments to Administrative Code Section 1307 (deletion of Section 1307(a)(8) and re-numbering of Section 1307(a)(9)).

- END CONSENT CALENDAR -

ACTION CALENDAR

ADOPTION OF FY 2020-21 FIFTH DRAFT BUDGET

Director Thomas introduced the budget, noting that the Administration & Finance Committee has made several amendments to the draft budgets over the last several months, and offers it to the Board for further discussion.

General Manager Hunter advised that in May, the Administration & Finance Committee recommended additional reductions to the conference/travel budget (\$37,555, resulting in a \$.05 reduction in the MWDOC fixed meter rate), and that the funding for the Hydraulic Model Project (\$130,000) should be funded from reserves. He stated that the fifth draft budget includes the reduction of the \$37,555 (conference/travel), but does not reflect a reduction for the Hydraulic Model Project (from reserves) because the Planning & Operations Committee (project reviewing body) recommended it be a core budget item. He noted that that the Board would need to discuss whether this project should be funded from reserves or treated as a core budget item.

With respect to the Hydraulic Model Project, Mr. Hunter stated that later on the agenda, the Board would need to determine whether the Hydraulic Model Project would include a 20% cost recovery component (Administration & Finance Committee recommendation), or would not include a 20% cost recovery component (Planning & Operations Committee recommendation). He noted that originally the staff recommendation through the Planning & Operations Committee did not include a cost recovery component, but that staff was now recommending the project include the component.

Director McVicker made a MOTION to fund the Hydraulic Model Project from Core revenues. Director Dick seconded the MOTION.

Following discussion regarding the merits of an additional \$.15 reduction in the MWDOC fixed meter rate by funding the project from reserves, Director Barbre made a SUBSTITUTE MOTION to fund the Hydraulic Model Project from reserves. A roll call vote was taken, and said SUBSTITUTE MOTION failed by a vote of 3-4. The roll call vote is noted below:

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

ABSTAIN: None

The Board addressed the original MOTION (fund the Hydraulic Model Project from Core revenues). By a vote of 4-3, the MOTION passed. The roll call vote is noted below:

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

The Board then discussed adopting the FY 2020-21 budget as presented, with the inclusion of the Hydraulic Model Project from Core revenues.

Director Thomas raised the issue of reducing more from the budget due to the financial effects from the COVID-19 pandemic. He suggested not filling the position created by Director Barbre’s eventual vacancy in Division 1, and reducing the number of memberships from the budget in an effort to further reduce the fixed meter rate, namely memberships and travel in the California Council for Environmental Balance (CCEEB) and the Association of Metropolitan Water Agencies (AMWA). Directors Finnegan and Barbre concurred, with Director Barbre noting that several member agencies are cutting all travel and memberships from their budgets.

General Manager Hunter clarified that many reductions were made between the second and third draft budget documents, including memberships and travel, that the current draft budget includes the Division 1 vacancy through November, and that these reductions resulted in over a \$.35 reduction to the fixed meter charge.

Considerable discussion ensued regarding the value of the memberships, with Directors Tamaribuchi, McVicker and Yoo Schneider supporting the budget before them with no further reductions, and Directors Barbre, Thomas, and Finnegan supporting the budget with the reductions of CCEEB and AMWA memberships and travel.

Upon MOTION by Director Barbre, seconded by Director Thomas, and carried (5-2), the Board adopted RESOLUTION NO. 2096 approving the final MWDOC budget for fiscal year 2020-21, as presented, with the removal of the CCEEB and AMWA memberships and travel, and including the Hydraulic Model Project as Core revenue. Said RESOLUTION NO. 2096 was adopted by the following roll call vote:

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

PROPOSED MWDOC WATER RATE RESOLUTION FOR FISCAL YEAR 2020-21

Upon MOTION by Director Barbre, seconded by Director Thomas, and carried (7-0), the Board approved decreasing the MWDOC Retail Meter Charge from \$12.40 to \$12.20 per meter, and decreasing the Groundwater Customer Charge from \$598,248 to \$595,323, effective July 1,

2020, and adopted RESOLUTION NO. 2097 Establishing Water Rates effective July 1, 2020 and January 1, 2021 as outlined. Said RESOLUTION NO. 2097 was adopted by the following roll call vote:

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

ADOPTION OF MWDOC ORDINANCE TO ESTABLISH CLASSES OF WATER SERVICE AND TERMS AND CONDITIONS OF WATER SERVICE WITHIN THE DISTRICT

Upon MOTION by Director Barbre, seconded by Director Thomas, and carried (7-0), the Board adopted ORDINANCE NO. 55 to Establishing Classes of Water Service, Terms, and Conditions of Water Service within the District. (MWDOC Administrative Code Section 1117 states that MWDOC shall provide at least ten days written notice that the Board will consider the adoption of a water service Ordinance and/or rates Resolution. Staff has met this requirement by emailing the Board letter and proposed Ordinance and Resolution to the member agencies on May 7, 2020). Said ORDINANCE NO. 55 was adopted by the following roll call vote:

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

OC REGIONAL DISTRIBUTION SYSTEM HYDRAULIC MODEL – BUILD & CALIBRATION

Upon MOTION by Director McVicker, seconded by Director Dick, and carried (5-2), the Board authorized Option 2 (building and calibrating an OC regional distribution system hydraulic model with a cost recovery aspect to repay MWDOC’s general fund over time for the investment made), and to authorize the General Manager to enter into a professional services agreement with Black & Veatch to build and calibrate an OC regional distribution system hydraulic model based upon the findings of the Orange County Regional Distribution System Hydraulic Model Investigation Report at a cost of \$188,520 plus a 10% contingency for a total not to exceed cost of \$207,372. Said MOTION was adopted by the following roll call vote:

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

(Director Finnegan left the meeting at 9:44 a.m.)

RENEWAL OF CONTRACT WITH SOTO RESOURCES FOR GRANT TRACKING AND ACQUISITION SERVICES

Upon MOTION by Director Barbre, seconded by Director Yoo Schneider, and carried (6-0), the Board authorized the General Manager to renew the professional services contract with Soto Resources to provide grant tracking, writing (upon request) and acquisition. The contract renewal would be not to exceed \$39,000 per year in fiscal years 2020-2021, 2021-2022, and 2022-2023; total authorization of this contract is \$117,000 over three years, by the following roll call vote:

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

AB 2107 (RODRIGUEZ & GRAY) – LOCAL GOVERNMENTS: SECURITIZED LIMITED OBLIGATION NOTES

Upon MOTION by Director Dick, seconded by Director McVicker, and carried (6-0), the Board adopted a support position on AB 2107 (Rodriguez & Gray), and send a letter in support to the author and the California Special Districts Association (CSDA) by the following roll call vote:

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

SB 1386 (MOORLACH) – PROTECTING FIRE HYDRANT SYSTEM FUNDING

Upon MOTION by Director Barbre, seconded by Director Dick, and carried (6-0), the Board adopted a support position on SB 1386 (Moorlach), and join the sponsors’ coalition letter, by the following roll call vote:

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

POTENTIAL ACTION REGARDING THE REPLACEMENT OF MWDOC AND METROPOLITAN DIRECTOR

President Tamaribuchi outlined his understanding of the issue regarding a potential vacancy on both the MWDOC Board and MET Board, stating that Yorba Linda Water District recently approved a contract hiring Director Brett Barbre as their General Manager effective May 11, 2020, that Director Barbre has not yet signed the contract and has indicated he will not be General Manager until the contract is signed, and that he plans to sign the contract within two

weeks. Director Tamaribuchi also noted that Director Barbre has verbally indicated that he will resign from the MET Board on May 26, 2020 and from the MWDOC Board sometime before June 26, 2020.

Mr. Tamaribuchi stated that pursuant to the terms of the Administrative Code (relative to Incompatibility of Office), both Director positions should be resigned upon acceptance of a General Manager position of a member agency. In consideration of Director Barbre's service to the MWDOC Board since 2000, and his many contributions, Director Tamaribuchi indicated that he would recommend the terms of the Administrative Code adequately settled if Director Barbre submits a formal letter of resignation to the MWDOC Board (no later than May 21, 2020) outlining the effective dates of his resignations from both the MET and MWDOC Boards.

Director Barbre accepted these terms, stating that he would submit his letter of resignation with effective dates to Board Secretary Goldsby no later than May 21, 2020.

President Tamaribuchi thanked Director Barbre for his service, and stated that the Executive Committee would discuss the formation of a special committee to review and recommend a replacement MWDOC MET Director (the process as outlined in the Administrative Code).

(Director Finnegan returned to the meeting at 9:50 a.m.)

INFORMATION CALENDAR

GENERAL MANAGER'S REPORT, MAY 2020

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

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 Barbre reported that he attended all of the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, Public Affairs & Legislation, MWDOC/OCWD Joint Planning, and Executive Committee meetings, and the Workshop Board and Regular Board meetings), as well as testifying at the Santa Ana Regional Water Quality Control Board re Poseidon, meeting(s) with East Orange County Water District re OC-70, a meeting with MET staff John Bednarski regarding pipeline repairs in the City of Placentia, and the ACC-OC Energy & Water Committee. He also attended the regularly scheduled MET Board and Committee meetings.

Director Dick advised that he attended all of the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, Public Affairs & Legislation, MWDOC/OCWD Joint Planning, 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 WACO Planning Committee and WACO meetings, the MET pre-caucus meeting, the MWDOC MET Director caucus, and a meeting with East Orange County Water District re OC-70.

Director McVicker reported that he attended all of the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, Public Affairs & Legislation, MWDOC/OCWD Joint Planning, and Executive Committee meetings, as well as the Workshop Board and Regular Board meetings), the MET IRP and Executive Committee meetings, the WACO Planning and WACO meetings, the OCWD Communications/Legislation Committee meeting, the MET Board and Committee meetings, and the Santa Ana Regional Water Quality Control Board hearing.

Director Finnegan reported on her attendance at all of the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, Public Affairs & Legislation, MWDOC/OCWD Joint Planning, and Executive Committee meetings, as well as the Workshop Board and Regular Board meetings).

(Director Finnegan left the meeting at 9:57 a.m.)

Director Thomas stated that he attended all of the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, Public Affairs & Legislation, MWDOC/OCWD Joint Planning, and Executive Committee meetings, as well as the Workshop Board and Regular Board meetings), as well as a meeting with President Davert from East Orange County Water District, and several budget related meetings/calls with representatives from IRWD, SMWD, President Tamaribuchi, and General Manager Hunter.

Director Yoo Schneider advised that she attended all of the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, Public Affairs & Legislation, MWDOC/OCWD Joint Planning, and Executive Committee meetings, as well as the Workshop Board and Regular Board meetings), the SCWD Board meeting, the SMWD Board meeting, the SMWD Finance Committee meeting, an advisory meeting of the Board for Break-Through San Juan Capistrano, the California Water Environment Association of Board meeting, two Women in Water OC meeting, a Women in Water Planning Committee meeting, the San Juan Basin Authority meeting, and a meetings with representatives from SMWD and SCWD. She commended SMWD for their creativity in providing an on-line virtual water festival event.

Director Tamaribuchi reported on attending the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, Public Affairs & Legislation, MWDOC/OCWD Joint Planning, and Executive Committee meetings, as well as the Workshop Board and Regular Board meetings), the MET IRP Committee meeting, the MET Executive Committee, MET Water Planning & Stewardship Committee, a meeting with MWDOC staff regarding the IRP, the IRWD Water Resources Policy Committee, a meeting with representatives from ETWD (Directors Monin and Gaskin, and General Manager Cafferty), and the CCEEB/CED regarding the California Water Resilience Portfolio.

b. REQUESTS FOR FUTURE AGENDA TOPICS

No requests were made.

ADJOURNMENT

There being no further business to come before the Board, President Tamaribuchi adjourned the meeting at 10:00 a.m.

Respectfully submitted,

Maribeth Goldsby, Secretary