

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
April 21, 2021**

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). Following a moment of silence, Director Yoo Schneider led the Pledge of Allegiance and Secretary Goldsby called the roll.

MWDOC DIRECTORS

Al Nederhood
Larry Dick
Bob McVicker
Karl Seckel
Sat Tamaribuchi
Jeffery M. Thomas
Megan Yoo Schneider

STAFF

Robert Hunter, General Manager
Harvey De La Torre, Assistant General Manager
Joe Byrne, Legal Counsel
Maribeth Goldsby, Board Secretary
Melissa Baum-Haley, Prin. Water Resources Analyst
Cathy Harris, Director of H.R. & Administration
Damon Micalizzi, Director of Public Affairs
Joe Berg, Director of Water Use Eff. Programs
Kevin Hostert, Water Resources Analyst
Charles Busslinger, Principal Engineer
Alex Heide, Water Resource Analyst
Vicki Osborn, Director of Emergency Management
Heather Baez, Government Affairs Manager
Hilary Chumpitazi, Accounting Manager

ALSO PRESENT

Linda Ackerman
Dennis Erdman
Dick Ackerman
John Lewis
Christine Carson
Mike Gaskins
Mark Monin
Jose Vergara
Dennis Cafferty
Peer Swan
Paul Weghorst
Jim Atkinson
Sherry Wanninger
Kelly Rowe
Mike Markus
John Kennedy
Chuck Gibson
Saundra Jacobs
Justin McCusker
Dan Ferons

MWDOC/MET Director
MWDOC/MET Director
Ackerman Consulting
Lewis Consulting
Aleshire & Wynder
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
Moulton Niguel Water District
Orange County Water District
Orange County Water District
Orange County Water District
Santa Margarita Water District
Santa Margarita Water District
Santa Margarita Water District
Santa Margarita Water District

Jim Leach	Santa Margarita Water District
Brad Reese	Serrano Water District
Rick Shintaku	South Coast Water District
Fernando Paludi	Trabuco Canyon Water District
Brooke Jones	Yorba Linda Water District
Tom Lindsey	Yorba Linda Water District
Wayne Miller	Yorba Linda Water District
Megan Couch	San Diego County Water Authority
Kristy Khachigian	KK Consulting
Steve Gagnon	Raftelis
Charles Diamond	Raftelis
Deborah Diep	Center for Demographic Research

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 any member of the public had any comments on items that are not on the agenda.

It was noted that OCWD General Manager Markus submitted a request to have Item No. 7 (South Emergency Operations Center Capital Project Decision) pulled from the Consent Calendar for discussion.

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 an updated write-up with respect to the Budget, as well as correspondence between MWDOC and OCWD relative to the South Emergency Operations Center were distributed to the Board and made available to the public.

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.

President Tamaribuchi pulled Item No. 7 (South Emergency Operations Center Capital Project Decision) from the Consent Calendar for further discussion.

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

AYES: Directors Nederhood, Dick, McVicker, Seckel, Tamaribuchi, Thomas & Yoo

Schneider
NOES:None
ABSENT: None
ABSTAIN: None

MINUTES

The following minutes were approved.

March 3, 2021 Workshop Board Meeting
March 17, 2021 Regular Board Meeting

COMMITTEE MEETING REPORTS

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

Planning & Operations Committee Meeting: March 1, 2021
Administration & Finance Committee Meeting: March 10, 2021
Executive Committee Meeting: March 18, 2021

TREASURER'S REPORTS

The following items were ratified and approved as presented.

MWDOC Revenue/Cash Receipt Register as of March 31, 2021
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, 2021

PARS Monthly Statement (OPEB Trust)

FINANCIAL REPORT

The following item was received and filed as presented.

Combined Financial Statements and Budget Comparative for the Period ending February 28, 2021

CONSULTANT SERVICES FOR ORANGE COUNTY DEDICATED IRRIGATION METER LANDSCAPE AREA MEASUREMENTS

The Board authorized the General Manager to: (1) enter into a Professional Services agreement with Quantum Spatial, for an amount not to exceed \$1,400,000, to provide participating retail water agencies with area measurements of landscapes with dedicated irrigation meters, as required by SB 606 and AB 1668, and (2) enter into agreements with participating agencies for area measurement services from Quantum Spatial.

MWDOC ADMINISTRATION BUILDING SEISMIC RETROFIT AND REMODEL PROJECT – ABS OWNER’S REPRESENTATIVE PROFESSIONAL SERVICES CONTRACT – CHANGE ORDER

The Board approved a change order to the ABS Consulting Professional Services contract to extend the contract through to completion of the Administration Building Seismic Retrofit and Remodel Project. The change order includes the necessary additional professional services hours for the duration of the project in the amount of \$90,425.00 for a revised not to exceed total of \$385,031.00.

- END CONSENT CALENDAR -

ITEMS PULLED FROM CONSENT CALENDAR FOR ADDITIONAL DISCUSSION

SOUTH EMERGENCY OPERATIONS CENTER CAPITAL PROJECT DECISION

Director Seckel (referencing OCWD’s comment letter) commented that there appears to be confusion relating to the suitability of MWDOC’s offices at 18700 Ward Street in Fountain Valley to serve as the primary Emergency Operations Center (EOC), and he asked for staff to clarify this issue.

General Manager Hunter advised that although the MWDOC building has had seismic retrofitting for the safety of employees, it sits in a liquefaction zone, thereby deeming it unsuitable to serve as the primary EOC, and costs would be extremely high to rectify the issues.

Director of Emergency Management, Vicki Osborn, provided further information and clarification as to the reasons why the South EOC location was chosen.

Several Board members weighed in, noting that this approval would simply authorize an Agreement between MWDOC and El Toro Water District (ETWD), and would only authorize the first year financial commitment of approximately \$404,219, while staff would continue to research alternative site options and evaluate actual costs of construction at the proposed site.

Considerable discussion ensued regarding the need to evaluate costs, funding the project from reserves (and whether to replenish reserves), and the need to continue to work with the member agencies on their concerns. OCWD General Manager Mike Markus asked the Board to defer action on this item, and Mr. Paul Weghorst (IRWD) suggested that the action taken include a caveat that MWDOC would work with the member agencies to develop a consensus.

Director Nederhood commented on his support for the project, but noted that he would prefer it be funded from reserves (without replenishing reserves). He also highlighted that this was a first-step action and that many of the issues discussed would continue to be evaluated and reported to the Board.

Director Thomas advised that although he could support funding this initial step from reserves, he was not supportive of a permanent draw down on reserves; he requested a future discussion on the Reserve Policy (separate from this action).

Director McVicker requested more clarity on how the EOC will function and suggested a presentation at an upcoming Planning & Operations Committee meeting.

Following discussion, and upon MOTION by Director Nederhood, seconded by Director Seckel, and carried (7-0), the Board approved Option 1, and directed staff to work with ETWD to refine the cost estimates associated with the project, and to research alternative options (if available) in the event the project costs prove too high. This action was taken with the understanding that this approval is for the initial step forward, and not the final commitment. Said action was taken by the following roll call vote:

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

ACTION CALENDAR

HOLD PUBLIC HEARING TO ADOPT ORDINANCE SUPERSEDING AND REPEALING MWDOC ORDINANCE NO. 54 REGARDING COMPENSATION FOR DIRECTORS

General Manager Hunter advised that the Administration & Finance Committee discussed this item and recommended the increase in Director Compensation be limited to 3.64% (the amount outlined in MWDOC’s 2021/22 draft budget for staff increases).

President Tamaribuchi announced that the Board would hold a Public Hearing to receive comments on the proposal to adopt a new Ordinance (superseding and repealing Ordinance No. 54) increasing Compensation for Directors. President Tamaribuchi opened the public hearing and encouraged public comments.

IRWD Director Peer Swan suggested that in the future, information regarding the amount to be considered be included in the draft Ordinance.

SMWD Director Saundra Jacobs encouraged no increase in compensation due to the current financial climate due to COVID-19.

No other comments were received and President Tamaribuchi closed the Public Hearing and announced that the proposal to adopt Ordinance No. 54 was before the Board for consideration.

Directors Nederhood, Seckel, and Thomas each suggested the Board not increase its compensation for the upcoming year.

Upon MOTION by Director Nederhood, seconded by Director Thomas, and carried (7-0) the Board approved no increase in compensation, and no Ordinance was adopted. Said action was taken by the following roll call vote:

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

It was noted that in the future compensation amounts would be included in the write up.

DISTRICT BENCHMARK COMPENSATION AND BENEFITS STUDY

Upon MOTION by Director Dick, seconded by Director Thomas, and carried (7-0), the Board approved Option 1, the proposed recommended position reclassifications, title change, revisions to the pay structure ranges and a 1.64% pay structure adjustment to the salary ranges only, effective July 1, 2021. Said action was taken by the following roll call vote:

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

AUTHORIZATION TO CONTRACT FOR MWDOC CHOICE SCHOOL PROGRAMS

President Tamaribuchi advised that the proposed approval to contract for MWDOC Choice School Programs was before the Board for consideration.

As a follow-up to the discussion held at the Administration & Finance Committee meeting regarding the RFP review panels, Director Seckel requested that staff include member agencies in the evaluation process (with emphasis on Choice Programs), and Director Dick asked that an educator be included on future evaluation panels. Director Yoo Schneider concurred, noting that including stakeholders in the process would help improve the Program’s success.

Responding to an inquiry by Director Jacobs (SMWD), General Manager Hunter advised that staff is asking for approval of a two-year contract, with three one-year renewal options. He noted that this action would approve the rates and contractors, however, the Choice Program budget will be updated and return to the Board in the fall and if there is no interest among the member agencies, contracts will not be renewed.

Upon MOTION by Director Seckel, seconded by Director Thomas, and carried (7-0), the Board authorized the General Manager to enter into a two-year contract with three (3), one-year options to extend with Building Block Entertainment, Inc. (Shows That Teach) and Orange County Department of Education’s (OCDE) Inside the Outdoors to design and present the Municipal Water District of Orange County’s (MWDOC) K-12 Choice School Programs (Option #1).

Said action was taken by the following roll call vote:

AYES: Directors Nederhood, Dick, McVicker, Seckel, Tamaribuchi, Thomas & Yoo
Schneider

NOES: None
 ABSENT: None
 ABSTAIN: None

MWDOC’S 2021 COST ALLOCATION RATE STUDY

Director Nederhood commended staff on the collaborative approach taken during the study process.

Discussion ensued regarding how the cost allocations were reached (through a collaborative effort among the member agencies), and why a volumetric charge is not being recommended (there is more to MWDOC’s rates than just water, e.g. MET issues).

Upon MOTION by Director McVicker, seconded by Directors Dick and Thomas, and carried (7-0), the Board adopted the findings and recommendations in Raftelis’ Core Service Charge Allocation Study for MWDOC; which calls for maintaining the current Meter Service Charge methodology for all MWDOC retail agencies and changing the methodology and calculation of MWDOC’s Groundwater Customer Charge for Orange County Water District. These adjustments will be effective beginning in FY 2021-22.

Said action was taken by the following roll call vote:

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

ADOPTION OF THIRD DRAFT OF THE FY 2021-22 BUDGET

SMWD Director Chuck Gibson asked that the Board discuss/evaluate its Reserve Policy during the next year. Directors Nederhood and Seckel agreed. It was then noted that MWDOC’s Reserve Policy and study adopting said policy would be posted to the District’s website.

Upon MOTION by Director McVicker, seconded by Director Thomas, and carried (7-0), the Board adopted RESOLUTION NO. 2109 approving the final MWDOC budget for fiscal year 2021-22, as presented, by the following roll call vote:

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

PROPOSED MWDOC WATER RATE RESOLUTION FOR FISCAL YEAR 2021-22

Upon MOTION by Director McVicker, seconded by Director Seckel, and carried (7-0), the Board (1) Increased the MWDOC Retail Meter Charge from \$12.20 to \$13.00 per meter, and decreased the Groundwater Customer Charge from \$595,323 to \$335,385 effective July 1, 2021; and (2) adopted RESOLUTION NO. 2110 Establishing Water Rates and Charges to be effective July 1, 2021 and January 1, 2022 as identified in the Water Rate Resolution for Fiscal Year 2021-22, by the following roll call vote:

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

AB 1296 (KAMLAGER) AND SB 342 (GONZALEZ) – SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT: BOARD MEMBERSHIP

Upon MOTION by Director Thomas, seconded by Director Seckel, and carried (7-0), the Board adopted Oppose Unless Amended positions on both AB 1296 (Kamlager) and SB 342 (Gonzalez), by the following roll call vote:

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

It was noted that these pieces of legislation would be reviewed with the member agencies at the next managers meeting and that the agencies would be encouraged to either adopt similar positions and/or join MWDOC’s coalition letter.

INFORMATION CALENDAR

GENERAL MANAGER'S REPORT, APRIL 2021

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. Due to COVID 19, most of the meetings outlined were attended virtually.

Director Nederhood advised that he attended all of the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, and Executive Committee meetings, as well as the Workshop and Regular Board meetings), the Elected Officials Forum, the WACO and WACO Planning meetings, and a meeting with Congresswoman Young Kim. Director Nederhood also noted he would be attending the following meetings in the near future: SARWQCB to speak in favor of the Poseidon Project, a meeting with Yorba Linda Mayor Pro Tem and Assembly Member Chen, the MWDOC/OCWD Joint Planning Committee, the OCWA webinar regarding Design/Build, and an OCWD webinar regarding OC/LA water basin issues.

Director Dick reported on attending all of the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, and Executive Committee meetings, as well as the Workshop and Regular Board meetings), the Elected Officials Forum, the regularly scheduled MET Board and Committee meetings, including the Executive Committee (regular and special), the MET Rate Refinement Workshop, the MWDOC Communications Plan workgroup meeting, a meeting with MWDOC's Federal Advocates, the ISDOC meeting, the special MET meeting(s) regarding the GM selection (including three days of interviews), the MWDOC MET Directors meeting, the MWDOC MET Directors pre-Executive Committee meeting, the MET Caucus, a meeting with Marcia Scully, the ACCOC Water Committee meeting, the WACO Planning meeting, a meeting with the City of Orange, and a meeting with Congressman Ken Calvert.

Director McVicker reported that he attended all of the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, and Executive Committee meetings, as well as the Workshop and Regular Board meetings), the Elected Officials Forum, the ACWA Water Management Committee meeting, the OCWA webinar, the MET IRP Workshop, the Ad Hoc Committee meeting regarding the OC Demand Projections regarding MWDOC's draft UWMP, the WACO meeting, the ISDOC Executive Committee meeting, and the MET Finance and Water Management Committee meetings.

Director Seckel advised that he attended all of the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, and Executive Committee meetings, as well as the Workshop and Regular Board meetings), the Elected Officials Forum, the CalDesal Innovation meeting, OC Water Summit planning meetings, WACO Planning Committee meeting, the Delta Stewardship Council meeting, the Ad Hoc Committee meeting regarding the OC Demand Projections regarding MWDOC's draft UWMP, and meetings regarding ACWA Federal Affairs.

Director Thomas stated that he attended all of the regularly scheduled MWDOC meetings, except Planning & Operations, (Administration & Finance and Executive Committee meetings, as well as the Workshop and Regular Board meetings), the Elected Officials Forum, the WACO meeting, and the OC Water Summit planning meetings. Director Thomas advised that the 2022 OC Water Summit will be held in May or June, and he wished all a Happy Administrative Professionals Day.

Director Yoo Schneider advised that she attended all of the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, and Executive Committee meetings, as well as the Workshop and Regular Board meetings), the Elected Officials Forum, the SCWD Board meeting, the ACWA Federal Affairs webinars, the South Orange County agencies meeting, the AWWA Safe Drinking Water Act Processes Technical Advisory Workgroup meeting, several meetings with staff regarding Public and Government Affairs issues, the SMWD Board meeting,

several meetings with the WEF Diversity, Equity and Inclusion Leadership and Board subcommittee, the LBCWD Commission meeting, the South Orange County Watershed Management Area Executive Committee Nominating group meeting, a meeting with Wayne Rayfield, and the OC Water Summit planning meetings.

Director Tamaribuchi reported on attending the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, and Executive Committee meetings, as well as the Workshop and Regular Board meetings), the regularly scheduled MET Board and Committee meetings, the Elected Officials Forum, the special MET meeting(s) regarding the GM selection (including three days of interviews), four MWDOC/MET Director meetings, the Newport Beach Rotary Club meeting, wherein he provided a presentation regarding water, the MWDOC Communications Plan workgroup meeting, the ACWA Federal water issues meeting, the Ad Hoc Committee meeting regarding the OC Demand Projections regarding MWDOC's draft UWMP, a meeting with MWDOC's Federal Advocates, the MET Caucus, and a federal water issues meeting regarding regulatory landscape.

a. REQUESTS FOR FUTURE AGENDA TOPICS

No requests were made.

CLOSED SESSIONS

At 10:14 a.m., the Board adjourned to closed session regarding the following agenda items (with Legal Counsel Christine Carson):

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 and related appeal.

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, 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 and related appeal.

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 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.

RECONVENE

The Board reconvened at 11:06 a.m., and President Tamaribuchi announced that no reportable action was taken in closed session.

ADJOURNMENT

There being no further business to come before the Board, President Tamaribuchi adjourned the meeting at 11:07 a.m.

Respectfully submitted,

Maribeth Goldsby, Secretary