

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
April 20, 2022**

At 8:30 a.m., President Yoo Schneider called to order the Regular Meeting of the Municipal Water District of Orange County, via the Zoom Webinar application (due to the current state of emergency related to the spread of COVID-19 and pursuant to Government Code Section 54953(e)). Following a moment of silence, General Manager Hunter 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, Assist. GM
Joe Byrne, Legal Counsel
Maribeth Goldsby, Board Secretary
Melissa Baum-Haley, Prin. Water Resources Analyst
Heather Baez, Governmental Affairs Manager
Alex Heide, Water Resource Analyst
Cathy Harris, Dir. of HR & Administration
Joe Berg, Director of Water Use Efficiency
Kevin Hostert, Water Resources Analyst
Charles Busslinger, Principal Engineer
Hilary Chumpitazi, Accounting Manager
Damon Micalizzi, Director of Public Affairs
Vicki Osborn, Director of Emergency Management
Rachel Waite, Sr. WUE Analyst
Chris Lingad, Associate Engineer
Steven Hung, Financial/Database Analyst

ALSO PRESENT

Dennis Erdman
Linda Ackerman
Dennis Cafferty
Sherri Seitz
Kathryn Freshley
Mike Gaskins
Kay Havens
Keith Van Der Maaten
Jim Atkinson
Stacy Taylor
Dick Fiore
Bill Moorhead
Sherry Wanninger
Kaden Young
Kelly Rowe
Mike Markus
John Kennedy
Chuck Gibson
Saundra Jacobs

MWDOC/MET Director
MWDOC/MET Director
East Orange County Water District
East Orange County Water District
El Toro Water District
El Toro Water District
El Toro Water District
Laguna Beach County Water District
Mesa Water
Mesa Water
Moulton Niguel Water District
Moulton Niguel Water District
Moulton Niguel Water District
Moulton Niguel Water District
Orange County Water District
Orange County Water District
Orange County Water District
Santa Margarita Water District
Santa Margarita Water District

Justin McCusker	Santa Margarita Water District
Frank Ury	Santa Margarita Water District
Dan Ferons	Santa Margarita Water District
Chip Monaco	Santa Margarita Water District
Paul Pender	Santa Margarita Water District
Erica Castillo	Santa Margarita Water District
Greg Mills	Serrano Water District
Jerry Vilander	Serrano Water District
Bill Green	South Coast Water District
Rick Shintaku	South Coast Water District
Glen Acosta	Trabuco Canyon 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
Dick Ackerman	Ackerman Consulting
Lisa Ohlund	Ohlund Management & Technical Services
Kristy Khachigian	KK Consulting
Charles Luas	

PUBLIC PARTICIPATION/PUBLIC COMMENT

President Yoo Schneider announced that 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. Ms. Yoo Schneider asked whether any member of the public had any comments on items that are not on the agenda.

No public comments were received, however Director Nederhood suggested that in an effort to keep meetings running in a timely manner, presentations be kept to 15 minutes. It was noted this issue would be addressed by the Executive Committee.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

No items were received.

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING

President Yoo Schneider 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 a Revised Water Rates Resolution was distributed to the Board and made available to the public (Item 10-2).

STAFF INTRODUCTION

Accounting Manager Hilary Chumpitazi introduced Steven Hung, the District’s new Financial Analyst/Database Analyst to the Board (replacing Jeff Stalvey).

CONSENT CALENDAR

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

Director Nederhood requested Item No. 8 (Approve Continuation of Legal Services with Best, Best & Krieger) be pulled from the Consent Calendar for further discussion.

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

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

MINUTES

The following minutes were approved.

- March 2, 2022 Workshop Board Meeting
- March 16, 2022 Regular Board Meeting

COMMITTEE MEETING REPORTS

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

- Planning & Operations Committee Meeting: March 14, 2022
- Administration & Finance Committee Meeting: March 9, 2022
- Executive Committee Meeting: March 17, 2022

TREASURER'S REPORTS

The following items were ratified and approved as presented.

- MWDOC Revenue/Cash Receipt Register as of March 31, 2022
- 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, 2022
- 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, 2022

APPROVE CONTINUATION OF REMOTE MEETINGS PURSUANT TO AB 361 AND MAKE REQUIRED FINDINGS

The Board voted to continue virtual meetings pursuant to AB 361 for an additional 30 days based on the findings that (1) it has reconsidered the circumstances of the state of emergency for COVID-19, and (2) state and local officials continue to impose or recommend measures to promote social distancing.

ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION (OC LAFCO) ALTERNATE SPECIAL DISTRICT MEMBER SEAT - ELECTION

The Board voted to support Kathryn Freshley from El Toro Water District for OC LAFCO Alternate Special District Member seat, authorized President Yoo Schneider and alternate Director McVicker to cast the District's ballot, and authorized staff to submit the appropriate forms to OC LAFCO by the deadlines outlined.

SELECTION OF ANNUAL FINANCIAL STATEMENT AUDIT SERVICES

The Board authorized the General Manager to enter into an audit contract with Davis Farr LLP, to perform an annual financial audit of the District's financial statements for FY 2021-22, in an amount of \$31,500, with an option to renew the agreement for up to four additional one-year terms at slightly higher amounts, not to exceed \$33,418/year.

- END CONSENT CALENDAR -

ITEM PULLED FROM THE CONSENT CALENDAR

APPROVE CONTINUATION OF LEGAL SERVICES WITH BEST, BEST & KRIEGER

Director Nederhood expressed his concern with not following District policy and continuing with the same consultant without an RFP/Q process after five years; he outlined the value of following the process and encouraged the Board to follow the District's policy and conduct an RFP/Q process for legal services.

Several Directors commented that although they support the District's policy in most instances, they were pleased with BBK's representation and highlighted the value of institutional knowledge, noting the time and expense associated with the process, and that educating a new firm may not be in the District's best interests. It was noted that the contract could be terminated at any time if the Board was unhappy with the services rendered by BBK.

Discussion was then held regarding renewing the contract for less than five years (2 or 3), and following this discussion, upon MOTION by Director McVicker, seconded by Director Seckel and

carried (6-1), the Board approved foregoing the RFP/Q process and authorized staff to negotiate a contract with Best, Best & Krieger (BBK) for comprehensive and general District legal services for an additional five years, effective September 1, 2022. Said action was taken by the following roll call vote:

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

PUBLIC HEARING/ACTION ITEM

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

President Yoo Schneider 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 Yoo Schneider opened the public hearing and encouraged public comments.

No comments were received and President Yoo Schneider 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. Director Dick concurred, but noted that to keep potential Board candidates interested in running for the District, it would not be wise to defer an increase every year.

Upon MOTION by Director Dick, 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

ACTION CALENDAR

ADOPTION OF THIRD DRAFT OF THE FY 2022-23 BUDGET & TIER 2 RESERVE ACTION

President Yoo Schneider advised that adoption of the FY 2022-23 budget (and Tier 2 Reserves) was before the Board for consideration.

Director Seckel, as Chair of the Administration & Finance Committee, addressed statements made at the Committee meeting regarding allowing comments on the budget, noting that he did not intend to cut comments short at the meeting, but suggested it may be helpful to provide comments and thoughtful input earlier in the process.

Director Nederhood commented that the proposed budget/rates reflect a 5.6% increase, suggesting that the increase be limited to 5%. He suggested the budget be passed with a meter charge of \$13.65 (rather than \$13.75) to attain this goal.

Director Seckel confirmed his statements (from the Committee meeting) that the Tier 2 Contingency Reserve Fund be liquidated and return the funds to the member agencies, noting this would offset the \$.75 increase in the meter charge.

Discussion then ensued regarding the budget process, the Reserves Policy (currently under review by the Board and agencies), and the proposal to liquidate the Tier 2 Contingency Fund. Members of the audience expressed support for the liquidation.

It was suggested that the vote be separated between the budget, and the liquidation of the Tier 2 Contingency Fund.

Upon MOTION by Director Thomas, seconded by Director Dick, and carried (6-1), the Board adopted RESOLUTION NO. 2125 approving and establishing the MWDOC Budget for Fiscal Year 2022-23, including the General Fund, Reserve Fund, Water Fund, Water Use Efficiency Fund, WEROC Fund and AMP Fund, as presented, by the following roll call vote:

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

Upon MOTION by Director Seckel, seconded by Director Thomas, and carried (7-0), the Board voted to the liquidate the Tier 2 Contingency Reserve Fund and return this amount (approximately \$1,035,567) to the member agencies via a credit on their FY 22/23 budget invoice, with the full understanding/implication that reserve levels will not be fully funded this fiscal year. 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

PROPOSED MWDOC WATER RATE RESOLUTION FOR FISCAL YEAR 2022-23

President Yoo Schneider advised that the proposed Fiscal Year 2022-23 Water Rate Resolution was before the Board for consideration.

Director Nederhood expressed opposition to the proposed 5.6% rate increase (as stated above), noting his belief it was inappropriate and that any increases should be limited to 5%.

Following discussion, and upon MOTION by Director Seckel, seconded by Director Thomas and carried (6-1), the Board (1) increased the MWDOC Retail Meter Charge from \$13.00 to \$13.75 per meter, and increased the Groundwater Customer Charge from \$335,385 to \$368,722 effective July 1, 2022; and (2) adopted RESOLUTION NO. 2126 establishing water rates and charges to be effective July 1, 2022 and January 1, 2023 as identified in the Water Rate Resolution for Fiscal Year 2022-23. Said action was taken by the following roll call vote:

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

INFORMATION CALENDAR

GENERAL MANAGER'S REPORT, APRIL 2022

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

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, many 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 YLWD budget planning meetings, and the Elected Officials Forum.

Director Dick reported on attending all of the regularly scheduled MWDOC meetings (Planning & Operations, Administration & Finance, and Executive Committee meetings, as well as the Regular Board meeting) the regularly scheduled MET Board and Committee meetings, the Urban Water Institute planning meeting, an ad hoc meeting MET legal issues, the Southern California Water Dialogue meeting, the South Orange County Economic Coalition meeting, the Serrano

Water District Board room dedication event, the OC Taxpayers Association meeting, Special MET Board/audit meeting, the ISDOC Executive Committee meeting, the Urban Water Institute meeting, the MET Director meeting with Mesa Water, the WACO Planning meeting, and individual meetings with Deven Upadhyay, Larry Pharris, Carolyn Schaffer, and Congresswoman Kim.

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 OCWA Webinar regarding Operation X (LA Recycled Water Project), OC Water Summit planning meeting, the WACO meeting, the Westminster Pocket Park groundbreaking ceremony (Wyland Foundation), the ISDOC Executive Committee meeting, a meeting with Supervisor Foley, the Elected Officials Forum, the MET Board and Committee meetings, the OCBC Infrastructure Committee meeting, and the Fountain Valley City Council/Streams of Hope Project presentation.

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 WACO and WACO Planning meetings, the OC Water Summit planning meeting, the MET Board and Committee meetings regarding the budget, the Elected Officials Forum, the Southern California Dialogue meeting, the DWR Scoping meeting regarding long-term operations for the State Water Project and CVP, the Drought & Climate Outlook event (California and Nevada), and Joe McDivitt's retirement event (SCWD).

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 WACO meeting, two meetings with staff on the budget and water planning issues, two MWDOC/MET Director meetings, a meeting with Supervisor Foley re WEROC, a meeting with South County agencies, the MET Caucus, the MET Director meeting with Mesa Water, and the Elected Officials Forum.

Director Thomas stated that he attended all of the regularly scheduled MWDOC meetings (the Planning & Operations, Administration & Finance, and Executive Committee meetings, as well as the Workshop and Regular Board meetings), the OC Water Summit planning meetings, the meeting with South County agencies, the WACO meeting, the Elected Officials Forum, and the cyber security training.

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 SMWD Board meetings, the Water Environment Federation (WEF) Diversity, Equity & Inclusion Leadership Committee meetings, a meeting with MWDOC staff, the Westminster Pocket Park groundbreaking ceremony (Wyland Foundation), the Elected Officials Forum, the LBCWD Board meeting, and the SMWD Water Quality & Treatment Committee meeting.

a. REQUESTS FOR FUTURE AGENDA TOPICS

President Yoo Schneider noted that the Executive Committee will address whether to add the legislative advocacy reporting to a Committee meeting, as well as discuss the length of meetings and presentations.

ADJOURNMENT

There being no further business to come before the Board, President Yoo Schneider adjourned the meeting at 9:55 a.m.

Respectfully submitted,

Maribeth Goldsby, Secretary