

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
September 16, 2009

At 8:30 a.m. President Clark 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 Thomas led the Pledge of Allegiance and Secretary Goldsby called the roll.

MWDOC DIRECTORS

Brett R. Barbre (absent)
Wayne A. Clark
Larry Dick
Joan C. Finnegan
Susan Hinman
Ed Royce, Sr.
Jeffery M. Thomas

STAFF

Kevin Hunt, General Manager
Karl Seckel, Assistant Gen. Mgr
Dan Payne, Legal Counsel
Maribeth Goldsby, Board Secretary
Harvey De La Torre, Principal Analyst
Phil Letrong, Finance Manager
David Cordero, Dir. of Governmental Affairs
Darcy Burke, Dir. of Public Affairs
Lina Gunawan, Accountant

ALSO PRESENT

Dick Dietmeier
Diana Leach
Ray Miller
Jim Atkinson
Steve LaMar
John Abell
John Kennedy

South Coast Water District
Consultant to Golden State Water Company
City of San Juan Capistrano
Mesa Consolidated Water District
Irvine Ranch Water District
Resident Taxpayer
Orange County Water District

PUBLIC PARTICIPATION/PUBLIC COMMENT

President Clark 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. Clark asked whether there were any comments on other items which would be heard at this time.

Mr. John Abell (resident of Orange) addressed the Board and expressed concern over MET's proposed enhanced pension benefit (via MET's labor negotiations), noting the current economy. He congratulated the MWDOC Board for voicing opposition to the increase and encouraged the MET Board to do the same.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

Determine need and take action to agendize items(s), which arose subsequent to the posting of the Agenda. (ROLL CALL VOTE: Adoption of this recommendation requires a two-thirds vote of the Board members present or, if less than two-thirds of the Board members are present, a unanimous vote.)

No items were presented.

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

President Clark inquired as to whether there were any items distributed to the Board less than 72 hours prior to the meeting. No items were presented.

EMPLOYEE SERVICE AWARDS

President Clark presented an award to Lina Gunawan for one-year of service to the District.

CONSENT CALENDAR

President Clark 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 Royce, and carried (6-0), the Board approved the Consent Calendar items as follows:

MINUTES

The following minutes were approved as presented.

- August 5, 2009 Workshop Board Meeting
- August 6, 2009 Special Board Meeting
- August 19, 2009 Regular Board Meeting

COMMITTEE MEETING REPORTS

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

- Planning & Operations Committee Meeting: August 3, 2009
- Administration & Finance Committee Meeting: July 8, 2009
- Administration & Finance Committee Meeting: August 12, 2009
- Public Affairs & Legislation Committee Meeting: August 14, 2009
- Executive Committee Meeting: August 20, 2009
- MWDOC/OCWD Joint Planning Committee Meeting: July 22, 2009

TREASURER'S REPORTS

The following items were ratified as presented.

MWDOC Revenue/Cash Receipt Register as of August 31, 2009
MWDOC Disbursement Register as of August 31, 2009

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 July 31, 2009

Water Use Efficiency Projects Cash Flow

DISTRICT CONFERENCES/MEETINGS/SEMINARS

The Board authorized attendance by Directors and such members of District staff as approved by the General Manager, at the following conferences:

- Urban Water Institute Clean Water Conference, November 16-17, 2009, Irvine
- National Water Resources Association (NWRA) Annual Conference, November 18-20, 2009, San Antonio, TX
- American Water Works Association (AWWA) Fall Conference, October 5-8, 2009, Las Vegas
- Association of California Water Agencies Continuing Legal Education for Water Law Professionals, September 17-18, 2009, Costa Mesa

END CONSENT CALENDAR

ACTION CALENDAR

CONTINUATION OF LANDSCAPE PERFORMANCE CERTIFICATION PROGRAM

General Manager Hunt advised that the Planning & Operations Committee reviewed this item and suggested staff research potential cost sharing opportunities (with Homeowners Associations). This information will be explored and discussed with the Project Advisory Committee (and returned to the Planning & Operations Committee at a later date).

Upon MOTION by Director Hinman, seconded by Director Thomas, and carried (6-0), the Board (1) authorized a MWDOC expenditure of \$67,500 to be matched with a Metropolitan contribution of \$22,500 for program implementation; and (2) authorized the General Manager to renew the agreement with ConserVision in the amount of \$90,000 for implementation of the Landscape Performance Certification Program

**ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) COMMITTEE
CONSIDERATION FOR 2010/11**

General Manager Hunt advised that the Administration & Finance Committee reviewed this item and approved the Committee nominees, as presented. Director Hinman commented that she would be willing to participate on ACWA committees if there was a particular committee which may be beneficial to MWDOC. General Manager Hunt advised that participation on either the Local Government or Water Management Committees may be prudent.

Director Hinman requested that her name be added for the Local Government Committee on the Committee Consideration Form; the Board concurred.

Upon MOTION by Director Dick, seconded by Director Clark, and carried (6-0), the Board approved the proposed nominations to ACWA Committees (as amended), and authorized staff to submit the information to ACWA by September 30, 2009. Said slate of candidates included:

Name	ACWA Committee
Wayne Clark	Federal Affairs Committee
Larry Dick	State Legislative Committee (1)
Larry Dick	Legal Affairs Committee (2)
Larry Dick	Insurance & Personnel Committee (3)
Ed Royce, Sr.	Federal Affairs Committee
Susan Hinman	Local Government

**ASSOCIATION OF CALIFORNIA WATER AGENCIES REGION 10 BOARD
ELECTION (2010-2011)**

Director of Public Affairs David Cordero advised that the Administration & Finance Committee reviewed this item and recommended the Board cast its ballot in favor of the Nominating Committee's recommended slate of candidates.

Upon MOTION by Director Finnegan, seconded by Director Thomas, and carried (6-0), the Board authorized President Clark to cast the District's ballot in support of the recommended slate of candidates seeking election to the ACWA Region 10 Board of Directors.

CHANGE IN MEETING TIME FOR THE WORKSHOP BOARD MEETING

President Clark advised that attendees of the monthly Workshop Board meeting have requested the meeting time be changed to 8:00 a.m. (rather than 7:30 a.m.).

Upon MOTION by Director Hinman, seconded by Director Dick, and carried (6-0), the Board adopted RESOLUTION NO. 1859, establishing the meeting times of the monthly

Board meetings as the first Wednesday of each month at 8:00 a.m., and the third Wednesday of each month at 8:30 a.m., by the following roll call vote:

AYES: Directors Clark, Dick, Finnegan, Hinman, Royce & Thomas
NOES: None
ABSENT: Director Barbre
ABSTAIN: None

MWDOC'S RESPONSE TO THE 2008-09 O.C. GRAND JURY REPORTS:

- (a) "Water Districts: A New Era in Public Involvement; and
(b) "Paper Water" -- Does Orange County Have a Reliable Future?**

Assistant Manager Seckel presented the two draft responses to the 2008-09 O.C. Grand Jury reports, noting that all recommended changes by the Administration & Finance Committee were included in the packet.

Director Hinman referenced the "Paper Water" response, and expressed concern with the language included on page 1 relative to coordination planning between local land-use planning agencies and local water supply agencies. She commented that the public does not have a full understanding of how these agencies work and suggested additional language be added outlining how the agencies productively interact. Mr. Seckel noted he would add this language to the response.

Director Finnegan commended Mr. Seckel with his efforts in preparing the responses, noting he did an excellent job.

Director Clark agreed, suggesting staff issue a press release regarding our responses. Director of Public Affairs, Darcy Burke, advised that the *OC Register* had previously requested copies of the responses; President Clark suggested she highlight important issues.

Upon MOTION by Director Dick, seconded by Directors Thomas and Finnegan, and carried (6-0), the Board approved the responses (as amended above) and authorized transmittal of the responses to the Grand Jury reports to the appropriate party.

INFORMATION CALENDAR

GENERAL MANAGER'S REPORT, SEPTEMBER 2009

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

Director Dick referenced a number of meetings outlined in the report, noting he was inadvertently omitted as an attendee (namely the LAFCO Governance Study meeting

which both he and Director Thomas attended and the Assembly Select Committee Hearing).

The Board received and filed the report as presented.

MWDOC GENERAL INFORMATION ITEMS

BOARD OF DIRECTORS

In addition to the regular MWDOC Board and Committee meetings attended by the Directors, the following reports were made on conferences and meetings attended on behalf of the District.

Director Dick reported on attending (over the last two months) a meeting with legal counsel, the LAFCO meeting, a meeting with Assemblyman Van Tran, the Urban Water Institute conference, WACO (August and September), WACO Planning Committee, a meeting at the Garden Grove Community Center, the Assembly Select Committee hearing, the Orange County Taxpayers Association meeting, the Lion's Club meeting, an event featuring Congressman Royce as keynote speaker, and a meeting with both MWDOC and MET staff regarding the MET labor negotiations (regarding the proposed pension increases).

Director Royce advised that he attended the Civil Engineers meeting, the Assembly Select Committee hearing, the legislative "mixer" event in Stanton, the Garden Grove City Council meeting, WACO, the ACWA Federal Affairs Committee meeting (via teleconference), and the WACO Planning Committee meeting.

Director Finnegan advised that she attended WACO, the WACO Planning Committee meeting, and the Assembly Select Committee hearing. She announced that she would be attending ACWA's Board meeting later in the month, and that the ACWA Region 10 meeting would be held October 8-9, 2009 in Lake Elsinore.

Director Thomas advised that he attended many meetings regarding the proposal to increase MET's CalPERS benefit (as part of the labor negotiations) and that he agrees with the public outcry opposing such an increase. He also attended meetings with agencies within his division to improve communication; these included representatives from Irvine Ranch Water District and Santa Margarita Water District (he is meeting with Trabuco Canyon Water District later in the month). He attended the LAFCO hearing and is encouraged with LAFCO's action to receive and file the Governance Study. He also highlighted a discussion he had with Mr. Doug Davert (Orange County Sanitation District) regarding MWDOC's investment practices.

Director Hinman reported on her attendance at the Moulton Niguel Water District Board meeting and the Orange County Water Association meeting. She also highlighted meetings she (and Karl Seckel and Darcy Burke) have been attending regarding the South Orange County Water Forum to be held in South County on September 30, 2009 (in conjunction with the League of Women Voters event).

Director Clark reported that he attended the ACWA Federal Affairs Committee meeting, the Urban Water Institute conference, and the LAFCO hearing.

ADJOURNMENT

There being no further business to come before the Board, President Clark adjourned the meeting at 9:25 a.m.

APPROVED

Wayne A. Clark, President

Maribeth Goldsby, Secretary