

# BOARD OF DIRECTORS

APPROVED

## SPECIAL MEETING

JULY 7, 2009



## MINUTES

The special meeting of the Board of Directors of South Coast Water District was held at 10:00 am, July 7, 2009, in the offices of the South Coast Water District at 31592 West Street, Laguna Beach, Orange County, California.

### **A. PLEDGE OF ALLEGIANCE Director Rayfield**

### **B. ROLL CALL OF BOARD MEMBERS**

There were present and participating the following Directors of the District, to wit: Richard Dietmeier, President, Robert Moore, Vice President, Richard Gardner, Director, Ingrid McGuire, Director, and Wayne Rayfield, Director. Also present were Mike Dunbar, General Manager; Betty Burnett, Asst. General Manager/District Counsel; Joe McDivitt, Director of Operations; Regina Barnes, Recording Secretary; and Danita Hirsh, Engineering Assistant/Recording Secretary.

### **C. ORAL COMMUNICATIONS / PUBLIC COMMENTS**

### **D. MWDOC GOVERNANCE**

Mr. Dunbar, General Manager gave a brief overview of the staff report stating 6 south county agencies including South Coast Water District met with Municipal Water District of Orange County (MWDOC) staff and Board of Directors requesting certain issues to be addressed regarding the governance reserves and rates. The agencies had met over the past 4-5 months to discuss what options were available. One of the options was forming a separate agency under the County Water Authority (CWA). He stated that under the County Water Authority, 6 cities would form an agency that could be a MET member agency that could have their own governing structure, their own staff, and would be able to do what MWDOC does. It would be in a way that agencies could either pay for services or not pay if services are provided in-house. LAFCO had requested each agency to comment on their report.

Mr. Kevin Hunt and Karl Seckel from MWDOC were present to answer Board questions. Also, present for public comments was Matt Disston of Trabuco Water District and Ed Labhn resident and rate payer. Mr. Dunbar turned the floor over to the Board for questions and comments.

Director Gardner stated his comments and recommendations on what he would like to see regarding the white paper. He was unsure of whether he would support the Irvine Ranch application until he had an opportunity to review it.

Director Moore stated he would like the process to continue but would like to review the application in detail. He supported Mr. Dunbar along with President Dietmeier and Director Rayfield in representing the District at the LAFCO meetings. He would like the time table to be set for 90 days for a decision to be made.

Director McGuire stated that she supported continuing the process for determining if developing the County Water Authority was the right direction for SCWD. She stated the emphasis should be on how the District and the Board best served the customers and their communities. She stated that by forming a County Water Authority, it would give the District more direct input in the decision that would effect the District. She stated that it was important to stay involved in the white paper process.

Director Rayfield stated he understood the points made to be of control, governance and decision making and he did not have a position either for or against it. He stated he had hoped the white paper document to be helpful to him in deciding which direction to go but had found it to be biased and unusable. He agreed the process should be continued without necessarily agreeing to a particular outcome of supporting a County Water Agency or not. He stated the discussion should be about what the real benefits are vs the risks of changing the organizational structure and fundamentally setting up a new structure. He would like to see an analysis on this and how would it protect the District.

President Dietmeier commented that he had been attending the LAFCO meetings. He stated he supports continuing the process to reach an end resolution. He mentioned it was stated in reference to page 16 on the white paper, of disposing of the Ocean Desalination efforts. He stated there was an absence of elected officials in the decision making group who were pursuing the efforts. President Dietmeier stated that before the document was presented to LAFCO, he would like to see 1) that there be a continual balance on both sides of MWDOC and 9 representatives and 2) once the final document was available, there should be an up or down vote at each organization in public sessions from the 9 representatives (6 agencies & 3 cities). President Dietmeier stated representation would remain unchanged with the exception that Mr. Dunbar was no longer to attend LAFCO meetings alone but was to attend with both Directors (Dietmeier & Rayfield). He asked that from the time the decision was made to form the new agency, how long would it take to be up and running to do business, who would be paying and at what cost to each agency.

#### **E. CLOSED SESSION**

#### **RECONVENED**

Nothing to report.

#### **F. ADJOURNMENT**

Respectfully Submitted:

  
\_\_\_\_\_  
Recording Secretary

Approved:

  
\_\_\_\_\_  
Richard Dietmeier, President