

**MINUTES OF THE MEETING  
OF THE BOARD OF DIRECTORS  
OF THE  
SAN JUAN BASIN AUTHORITY  
November 13, 2012**

**APPROVED**

A Meeting of the Board of Directors (Board) of the San Juan Basin Authority (SJBA) was held on Tuesday, November 13, 2012 at its principal place of business located at 26111 Antonio Parkway, Suite A, Rancho Santa Margarita, CA 92688. The following Directors and/or Alternate Directors were present:

**Directors Present:**

LAURA FREESE, City of San Juan Capistrano  
DANIEL R. FERONS, Santa Margarita Water District

Vice Chairperson  
Alternate Director,  
Secretary  
Director

LARRY MCKENNEY, Moulton Niguel Water District

**Directors Absent:** None

**Support Services Present:**

DANIEL R. FERONS, Administrator  
WEST CURRY Administrator

**Others Present:**

Allison Burns, Legal Counsel  
Kristin Griffith, Treasurer, SJBA  
Sharon Brimer, Recording Secretary

- I. CALL MEETING TO ORDER  
Vice Chairperson Freese called the meeting to order at 1:32 p.m.
- II. PLEDGE OF ALLEGIANCE  
Director McKenney led the Pledge of Allegiance.
- III. ORAL COMMUNICATIONS  
Vice Chairperson Freese invited members of the public to address the Board of Directors (Board) on matters that were not on the agenda. There were no comments. Vice Chairperson Freese proceeded with the meeting.
- IV. CONSENT CALENDAR
  - A. Consideration and Action on Minutes of Regular Meeting of September 11, 2012.
  - B. Consideration and Action on Monthly Financial Statements for June, July, August and September 2012.

Director Freese pulled item A. There were no objections.

**MOTION NO. 2012-09**

Thereafter, upon a motion duly made by Director McKenney, seconded by Director Freese to approve the Consent Calendar (Item B Received and File the Financial Statements for June, July, August, and September 2012). Motion passed 3-0.

A. Consideration and Action on Minutes of Regular Meeting of September 11, 2012.

Director Freese commented on the statement in the Section VIII of the minutes regarding the need to address the strategic and governance planning for the SJBA.

**MOTION NO. 2012-10**

Thereafter, upon a motion duly made by Director Freese, seconded by Director McKenney to approve the Consent Calendar (Item A – Approve the September 11, 2012 meeting minutes). Motion passed 3-0.

V. ACTION ITEMS

A. Consideration and Action on Election of Chairman for Remainder of Fiscal Year 2012-2013

With the retirement of Mike Dunbar, the position of chairman was open. Director Ferons noted that South Coast Water District (SCWD) has not appointed anyone to fill the open directorship to the SJBA board of directors.

Director Freese noted that because she did not run for the San Juan Capistrano city council during the past election, it is unclear if she would be continuing on the SJBA Board of Directors. She expressed her full support for the appointment of Director McKenney as chairperson.

**MOTION NO. 2012-11**

Thereafter, upon a motion duly made by Director Ferons, seconded by Director Freese to approve the appointment of Director McKenney as chairperson, to fill the vacancy that was left with Mike Dunbar's retirement, for the remainder of the fiscal year. Motion passed 3-0.

Director McKenney assumed the chairperson position and continued with the meeting.

B. Consideration and Action on Resolution No. 2012-11-01 of the Board of Directors of the San Juan Basin Authority Concerning the Biennial Review of the Authority's Conflict of Interest Code.

Attorney Burns reviewed Resolution No. 2012-11-01. She noted the purpose of the review was to make sure it does not require any updating, alternation, or changes of any kind. She noted it does not and recommended approval of Resolution No. 2012-11-01.

Director Freese asked if the Board was out of compliance since there was a filing date of October 1, 2012.

Attorney Burns responded that a letter was sent to the Clerk of the Board of Supervisors noting the Resolution would be adopted at the SJBA's October board meeting; however that meeting was not conducted. She noted she has not received any communication from the Clerk of the Board of Supervisors.

Director Freese asked about the agency name changes that were filed in the original documents.

Attorney Burns responded that the only requirement is that the Board members file Form 700, not the agencies.

Chairperson McKenney asked if there were any comments from the public. There were no comments.

**MOTION NO. 2012-12**

Thereafter, upon a motion duly made by Director Ferons, seconded by Director Freese, to adopt Resolution No. 2012-11-01 of the Board of Directors of the San Juan Basin Authority Concerning the biennial Review of the Authority's Conflict of Interest Code. Motion passed 3-0.

- C. Consideration and Action on Independent Financial Audit for Fiscal Year 2011-2012.

Director Ferons introduced Kristin Griffith who was available to respond to any questions from the Board.

Director Ferons noted that there was an optional one year renewal available with Fechter and Company. He noted that Santa Margarita Water District is sending out proposals for the next audit and will include a provision to provide services for the San Juan Basin Authority.

**MOTION NO. 2012-13**

Thereafter, upon a motion duly made by Director McKenney, seconded by Director Freese, to receive and file the audit conducted and written by Fechter and Company, CPAs the period ending June 30, 2012. Motion passed 3-0.

VI. CHAIRMAN'S REPORT

Chairperson McKenney commented on the need for a Strategic and Governance Planning session on what the SJBA is and could be. It is the intent of the Strategic Planning session to determine the scope of authority and developmental opportunities for the Authority.

He noted that in the last SJBA meeting minutes, there was a comment that Wildermuth Environmental, Inc. would have available administrative draft of the Groundwater Management Plan by the end of September 2012.

Director Ferons responded that staff has been working with Wildermuth Environmental, Inc., to complete the draft of the Groundwater Management Plan, but it is not finished. Agreements have been reached on the modeling and staff is waiting for the results. He noted he would follow up with those entities that need to provide input.

Director Freese noted the Groundwater Management Plan was over a year late. It was due a year ago in July.

Chairperson McKenney reminded the Board that the delays can be attributed to efforts to coordinate modeling with the Municipal Water District of Orange County and the various agencies who have a vested interest in the Basin. He noted these combined efforts will hopefully render results that provide accurate pumping limits and allow the Authority to move forward with developing plans for the Basin.

The Board agreed it would like an update on the progress on the completion of the Groundwater Management Plan.

VII. ATTORNEY'S REPORT

No additional items to report.

VIII. OTHER MATTERS

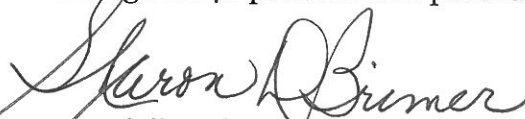
- A. Open Discussion or items received too late to be agendaized.

IX. INFORMATION ITEMS

- A. **Update on Preparation of Groundwater Management Plan.  
See comments under Chairman's Report.**

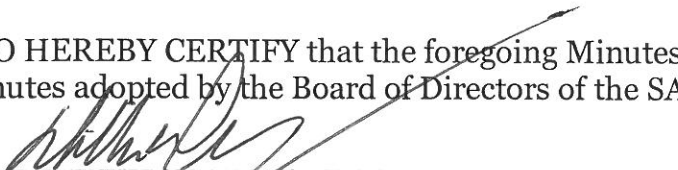
X. ADJOURNMENT

There being no further business before the Board of Directors, a motion duly made and seconded to adjourn the meeting at 1:48 p.m. Motion passed unanimously.



Respectfully submitted,  
Sharon D. Brimer, Recording Secretary

I DO HEREBY CERTIFY that the foregoing Minutes are true and correct copy of the Minutes adopted by the Board of Directors of the SAN JUAN BASIN AUTHORITY.



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West Curry, Administrator  
SAN JUAN BASIN AUTHORITY