

**MINUTES OF THE WORKSHOP BOARD MEETING
OF THE BOARD OF DIRECTORS OF
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC)
WITH THE MWDOC MET DIRECTORS**

February 1, 2017

At 8:30 a.m. President Osborne called to order the Workshop Board Meeting of the Board of Directors of Municipal Water District of Orange County (MWDOC) at the District facilities located in Fountain Valley. Mr. Harvey De La Torre led the Pledge of Allegiance and Secretary Goldsby called the roll.

MWDOC DIRECTORS

Brett R. Barbre*
Larry Dick*
Joan Finnegan
Wayne Osborne
Megan Yoo Schneider
Sat Tamaribuchi
Jeffrey M. Thomas (absent)

MWDOC STAFF

Robert Hunter, General Manager
Karl Seckel, Assistant General Manager
Joe Byrne, Legal Counsel
Maribeth Goldsby, Board Secretary
Harvey De La Torre, Associate General Mgr.
Melissa Baum-Haley, Sr. Water Resource Analyst
Kevin Hostert, Water Resources Analyst
Charles Busslinger, Principal Engineer
Joe Berg, Director of Water Use Efficiency

*Also MWDOC MET Directors

OTHER MWDOC MET DIRECTORS

Larry McKenney
Linda Ackerman

OTHERS PRESENT

Gordon Johnson
Paul Brown
William Kahn
Mark Monin
Fred Adjarian
Brian Ragland
Doug Reinhart
Peer Swan
Paul Weghorst
Jim Atkinson
Don Froelich
Bill Hunt
John Kennedy
Adam Hutchinson
Jim Leach
Dennis Erdman
Rick Erkeneff
Andy Brunhart
Jody Brennan
Al Nederhood
Brooke Jones
Marc Marcantonio
Richard Eglash

Metropolitan Water District of So. Calif.
Metropolitan Water District of So. Calif.
El Toro Water District
El Toro Water District
El Toro Water District
Huntington Beach
Irvine Ranch 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
South Coast Water District
South Coast Water District
South Coast Water District
South Coast Water District
Yorba Linda Water District
Yorba Linda Water District
Yorba Linda Water District
Brady & Associates

Kelly Rowe
Ed Means

Water Resources Consultant
Means Consulting

ITEMS RECEIVED TOO LATE TO BE AGENDIZED - Determine need and take action to agendize item(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 Osborne inquired as to whether there were any items distributed to the Board less than 72 hours prior to the meeting with General Manager Hunter responding no items were distributed.

PUBLIC PARTICIPATION/PUBLIC COMMENTS

President Osborne inquired whether any members of the public wished to comment on agenda items.

SCWD General Manager Andy Brunhart announced that prior SCWD Board Member, Bob Moore, passed away and that the funeral would be held on February 3, 2017 at South Shores Church in Dana Point.

PRESENTATION/DISCUSSION/INFORMATION ITEMS

PRESENTATION BY METROPOLITAN STAFF REGARDING THE CARSON REGIONAL RECYCLING PROJECT

Mr. Gordon Johnson of Metropolitan Water District (MET) updated the Board on the activities regarding the Carson Regional Recycling Project (Project). His presentation included an overview of the Project background, the major findings in the Feasibility Study, and the next steps. Mr. Johnson advised that this Project is a collaboration between MET and the Sanitation Districts of Los Angeles County to develop a new regional water source, that a potential 150-mgd Project is feasible, that the Project provides significant regional benefits, costs and benefits are consistent with the 2015 IRP update, and it is adaptable to future Direct Potable Reuse regulations, if needed. Mr. Johnson then presented information on the Feasibility Study Process, including Project element findings (which components are feasible, which are likely feasible, and where no fatal flaws were identified), along with an overview of the Advisory Panel members that participated in the Feasibility Study, and their ultimate conclusion that its findings are reasonable with no foreseen technical fatal flaws.

Considerable discussion ensued regarding the Project's potential impact on stranded assets (if any), the potential costs, and the timeline for completion (10-15 years on-line). Following the discussion, President Osborne thanked him for the presentation.

The Board received and filed the report.

ACTION ITEM**UPDATE ON THE OC FLOOD CONTROL ENCROACHMENT PROCESS**

Assistant General Manager Karl Seckel, reported that MWDOC, along with a number of member agencies, have continued to weigh in on the OCFCD's proposed Right of Entry and Use Agreement, which would impose an annual use fee for utility facilities that cross or encroach upon OCFCD property, and have communicated with the County Legal Counsel that it is our belief that OCFCD lacks the legal authority to impose the fee. Mr. Seckel noted that the date of the Board of Supervisors meeting (where this was to be considered) has been pushed back to February 24th.

General Manager Hunter advised that because the item was deferred (by the Board of Supervisors) this matter could be deferred to the next Board meeting. Following discussion, the Board generally concurred to defer this item to a future meeting.

PRESENTATION/DISCUSSION/INFORMATION ITEMS (Continued)**INPUT OR QUESTIONS ON MET ISSUES FROM THE MEMBER AGENCIES/MET DIRECTOR REPORTS REGARDING MET COMMITTEE PARTICIPATION**

Director Ackerman reported that she met with MET Chairman Randy Record who informed her that he will be forming a new MET Committee entitled Conservation and Local Projects, which will be a "no action" committee. As it is in the preliminary stages, she will report more at the next meeting.

Director Dick reported that MET continues to work on the Fixed Treatment Charge, that there appears to be good support for the Carson Project, and that two priorities at MET are (1) the San Diego litigation, and (2) the California Water Fix.

Director Barbre stated that the California Water Fix continues to be of utmost importance at MET. He also stated that MET General Manager Kightlinger believes that due to the wet weather, the emergency drought regulations imposed by Governor Brown should be removed. Mr. Barbre believes MWDOC should take an action to ask Governor Brown to end the emergency drought regulations.

Director McKenney highlighted an upcoming three-week shutdown of the Colorado River Aqueduct to do maintenance work.

ORANGE COUNTY'S WATER SUPPLY AND PERFORMANCE REPORT FOR NOVEMBER 2016

Water Resources Analyst Kevin Hostert reported on Orange County's water supply conditions and conservation performance for November 2016, noting that for the month of November Orange County saved 14.5%, exceeding the MWDOC Countywide saving goal of 10%. He also reviewed supply conditions, reservoir storage, snowpack levels, rainfall amounts (148% of average to date), and the "Table A" State Water Project Allocations for 2017 (set at 60% for 2017).

The Board referenced the schematics used in Mr. Hostert's presentation and asked that they be sent to the Board.

MWD ITEMS CRITICAL TO ORANGE COUNTY

- a. MET's Water Supply Conditions
- b. MET's Finance and Rate Issues
- c. Colorado River Issues
- d. Bay Delta/State Water Project Issues
- e. MET's Ocean Desalination Policy and Potential Participation by MET in the Doheny Desalination Project
- f. Orange County Reliability Projects
- g. East Orange County Feeder No. 2
- h. South County Projects

The Board received and filed the information as presented.

METROPOLITAN (MET) BOARD AND COMMITTEE AGENDA DISCUSSION ITEMS

- a. Summary regarding January MET Board Meeting
- b. Review Items of significance for the Upcoming MET Board and Committee Agendas

No new information was presented; the information was received and filed.

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 9:54 a.m.

Maribeth Goldsby
Board Secretary