

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

June 1, 2016

At 8:30 a.m. Vice President Barbre 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. Director Larry Dick led the Pledge of Allegiance and Secretary Goldsby called the roll.

MWDOC DIRECTORS

Brett R. Barbre*
Larry Dick*
Joan Finnegan
Susan Hinman
Wayne Osborne (absent)
Sat Tamaribuchi
Jeffrey M. Thomas

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.
Kevin Hostert, Water Resources Analyst
Jonathan Volzke, Public Affairs Manager
Melissa Baum-Haley, Sr. Water Resource Analyst

*Also MWDOC MET Directors

OTHER MWDOC MET DIRECTORS

Larry McKenney
Linda Ackerman

OTHERS PRESENT

Mark Monin
William Kahn
Doug Reinhart
Peer Swan
Paul Weghorst
Don Froelich
Adam Hutchinson
John Kennedy
Ray Miller
Nabil Saba
Chuck Gibson
Dan Ferons
Dennis Erdman
Bill Green
Andy Brunhart
Gary Melton
Liz Mendelson-Goossens
Richard Eglash
Samantha Waterman
Ed Means
Cathrene Glick
Kelly Rowe

El Toro Water District
El Toro Water District
Irvine Ranch Water District
Irvine Ranch Water District
Irvine Ranch Water District
Moulton Niguel Water District
Orange County Water District
Orange County Water District--
City of San Juan Capistrano
City of Santa Ana
Santa Margarita Water District
Santa Margarita Water District
South Coast Water District
South Coast Water District
South Coast Water District
Yorba Linda Water District
San Diego County Water Authority
Brady & Associates
Cadiz
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

Vice President Barbre 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.

No items were distributed.

PUBLIC PARTICIPATION/PUBLIC COMMENTS

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

No comments were received.

Vice President Barbre asked that the coffee/water, etc. be brought back into the Board Room, rather than in the reception area; the Board generally concurred.

PRESENTATION/DISCUSSION/INFORMATION ITEMS

INPUT OR QUESTIONS ON MET ISSUES FROM THE MEMBER AGENCIES/MET DIRECTOR REPORTS

Vice President Barbre requested reports from the MET Directors and comments, questions, or input from the audience.

Director Ackerman provided an update on the recently held MET Board retreat, advising that the retreat discussions focused on (1) the Laguna Declaration, (2) the Integrated Resources Plan (IRP); and (3) the California Water Fix. She highlighted the Water Fix discussions, which included discussions on certainties/uncertainties and cost effectiveness, noting the MET Board requested additional workshops be held regarding this issue. It was noted that the retreat was a first step toward focusing on both the IRP approach to reliability and the Water Fix.

Director McKenney advised that although MET is completely committed to the Delta and a potential Water Fix, the Board also discussed the IRP approach to reliability, and a potential "Plan B" in the event the Fix does not materialize (e.g., additional storage).

Considerable discussion ensued regarding the California Water Fix, its importance to the region, the cost, the benefits of developing a portfolio of various water sources, and MET's position on the Water Fix.

Director Dick highlighted the upcoming election of a new Governor and how that could affect the Water Fix, and water issues in general.

A discussion was also held regarding MET's efforts to educate the public on the importance of the Water Fix.

ORANGE COUNTY'S DROUGHT PERFORMANCE – JANUARY REPORT

Water Resources Analyst, Kevin Hostert, reported on Orange County's performance under the State Board's mandatory reduction, highlighting that the cumulative water savings for Orange County was approximately 22%. Mr. Hostert noted that in March 2016, Orange County's conservation target was lowered to 19.55% (due to revisions by the State Board that allow credits for OCWD's Groundwater Replenishment System), and that in May the State Board modified the statewide reduction-based water conservation standard again (which will be discussed later on the agenda). He also reviewed supply conditions, reservoir storage, snowpack levels, and the Table A State Water Project allocations for 2016 (currently set at 60%).

The Board received and filed the report.

EXTENDED EMERGENCY REGULATIONS AND STATE WATER RESOURCES CONTROL BOARD'S CONSERVATION STANDARD MODIFICATIONS

Mr. De La Torre provided an overview of the State Water Resources Control Board's (State Board) Extended Emergency Regulations, noting that the Governor issued an Executive Order that extends the Emergency Regulations to January 31, 2017, and that in response to this, the State Board adopted a localized "self certification" approach (as a result of improved conditions in Northern California).

As a result of these modifications, Mr. De La Torre's presentation included information on retail agency requirements (stress-test parameters), wholesale requirements (publicly disclose availability of regional supplies over the next three years, provide data to MET to determine the need of imported water from MET, and data coordination; along with the process for the data collection). He advised data collected will include evaluation of local supplies for the three year period, information on any additional recycled water, and the imported replenishment needs for the Orange County groundwater basin.

Considerable discussion ensued with specific emphasis on the need for long-term drought planning, as well as MWDOC member agency issues which include how to communicate the need for conservation with a 0% conservation standard, retail agency planning and how the retail agencies' stress-test (hydrology is the same as water years 2013-2015, demands to be based on average annual for 2013 and 2014, and projecting supplies for 2017-2019), differs from actual supply management, how this modification differs or coincides with MET's Water Supply Allocation Plan, and the need for regional outreach and planning.

Following a lengthy discussion, the Board received and filed the report as presented.

MET BOARD RETREAT HIGHLIGHTS

It was noted that this item was discussed under Item 1 above; no further comments were made.

The Board received and filed the report.

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

Director Hinman highlighted a statement from the MET Board Retreat write up regarding MET's role in developing local resources (to encourage resource development where both the local agency and the region benefits), and how this ties into Item h above (South County Projects). She believes it is the ideal time to look at local projects and develop a regional approach to develop these projects.

IRWD Director Peer Swan agreed with Director Hinman, and suggested MWDOC facilitate organizing a working group or advisory committee representing the county as a whole to review and develop these projects. Directors Barbre and Dick concurred, suggesting that the group consist of representatives from Santa Ana, Anaheim, Fullerton, MWDOC, and OCWD; Director Barbre requested this issue be discussed at a future Workshop Board meeting.

Director Tamaribuchi suggested that when MET posts its availability of regional supplies (as required under the State Board's Conservation Standard Modifications), it would be prudent for them to highlight Southern California's conservation and storage efforts.

The Board received and filed the information as presented.

METROPOLITAN (MET) BOARD AND COMMITTEE AGENDA DISCUSSION ITEMS

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

No new information was presented.

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 10:05 a.m.

Maribeth Goldsby
Board Secretary