

**MINUTES OF THE WORKSHOP BOARD MEETING
OF THE BOARD OF DIRECTORS OF
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC)
WITH THE MWDOC MET DIRECTORS
May 3, 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. Director Finnegan led the Pledge of Allegiance and Secretary Goldsby called the roll.

MWDOC DIRECTORS

Brett R. Barbre* (absent)
Larry Dick*
Joan Finnegan
Wayne Osborne
Megan Yoo Schneider (absent)
Sat Tamaribuchi (absent)
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.
Melissa Baum-Haley, Sr. Water Resource Analyst
Kevin Hostert, Water Resources Analyst
Charles Busslinger, Principal Engineer
Joe Berg, Director of Water Use Efficiency
Damon Micalizzi, Dir. Of Public Affairs
Heather Baez, Governmental Affairs Manager
Jonathan Volzke, Public Affairs Manager

*Also MWDOC MET Directors

OTHER MWDOC MET DIRECTORS

Larry McKenney
Linda Ackerman (absent)

OTHERS PRESENT

Fred Adjarian
William Kahn
Mark Monin
Jose Vergara
Mike Dunbar
Doug Reinhart
Steve LaMar
Peer Swan
Paul Cook
Paul Weghorst
Phil Lauri
John Kennedy
Saundra Jacobs
Dennis Erdman
Al Nederhood
Brooke Jones
Kelly Rowe
Ed Means

El Toro Water District
El Toro Water District
El Toro Water District
El Toro Water District
Emerald Bay Service District
Irvine Ranch Water District
Irvine Ranch Water District
Irvine Ranch Water District
Irvine Ranch Water District
Irvine Ranch Water District
Irvine Ranch Water District
Mesa Water
Orange County Water District
Santa Margarita Water District
South Coast Water District
Yorba Linda Water District
Yorba Linda Water District
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.

No items were distributed.

PUBLIC PARTICIPATION/PUBLIC COMMENTS

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

No comments were received.

PRESENTATION/DISCUSSION/INFORMATION ITEMS

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

Director Dick commented that although MET's continued focus is the California WaterFix, MET efforts have slowed on the WaterFix due to the San Diego County Water Authority (SDCWA) litigation; he advised that the appellate oral arguments will start mid-May.

Director McKenney reported that the MET Board voted for no change to the rate structure, resulting in no fixed treatment component to the rate structure. He also provided a brief overview on Sites Reservoir.

Discussion ensued between the audience and MET Directors regarding MET's policy with respect to desalination, an overview of MET's IRP and LRP discussions and how desalination fits into these policies, and the importance of the WaterFix to the Southern California region. Discussion regarding reliability for the region was also held with emphasis on the projects outlined in the OC Reliability Study.

UPDATE ON WATER SUPPLY CONDITIONS

Water Resources Analyst Kevin Hostert reported on Orange County's water supply conditions, noting that April experienced above average rainfall and that the Northern Sierra Snow Water Equivalent is at 42 inches (as of the end of April). He also reviewed key state reservoir storage conditions, snowpack levels, rainfall amounts, and the "Table A" State Water Project Allocations for 2017 (currently set at 85% for 2017).

The Board received and filed the report as presented.

UPDATE ON METROPOLITAN'S INTEGRATED RESOURCE PLAN (IRP) POLICY DEVELOPMENT DISCUSSION

Associate General Manager Harvey De La Torre, provided an overview of the IRP policy development discussions, noting that a workshop will be held on May 23, 2017 to discuss and develop policy principles on two major policy areas, namely: (1) how should MET expand its role in local resources and conservation, and under what conditions; and (2) how should MET plan and participate with existing and expanding mandates.

Discussion ensued regarding policy area discussion 1 (above), the criteria for MET to define a regional benefit beyond supply yields and a reduction in distribution system costs, the need to focus on areas that are short on supply, and how the LRP Program began and how it will continue (partnership or subsidy).

The Board received and filed the report.

PRESENTATION BY SYRUS DEVERS OF BEST, BEST & KRIEGER REGARDING THE LEGISLATIVE LONG-TERM CONSERVATION FRAMEWORK (PROPOSED BILLS V. TRAILER BILL)

President Osborne announced that due to Mr. Devers suffering an illness, Governmental Affairs Manager Heather Baez would present this item.

Ms. Baez stated that in an effort to establish long-term water conservation standards, Governor Brown issued an Executive Order (EO B-37-16, Making Water Conservation a California Way of Life), which directed a number of state agencies to develop a long-term statewide conservation plan. She advised that a final version of the Report was released on April 7th and can be considered a framework for implementing EO B-37-16. Ms. Baez also advised that concurrently, Trailer Bill Language (TBL 810) was released, which establishes authorities and deadlines for setting new long-term standards for efficient urban water use. In addition to TBL 810, eight bills were heard at the April 25, 2017 Assembly Committee on Water Parks, and Wildlife. The focus was on those bills authored by Assembly Members Friedman and Rubio. The three Friedman bills nearly mimic TBL 810, while the Rubio bills are generally supported by local water agencies, MET, and ACWA; all eight pieces of legislation passed out of Committee with direction for all parties to work cooperatively toward agreed upon language.

Considerable discussion ensued regarding the TBL 810 and the eight pieces of legislation, with Ms. Baez advising that the MWDOC Board adopted support positions on the Rubio legislation and an oppose position on AB 1667.

Following discussion, 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

- f. Doheny Desalination Project
- g. Orange County Reliability Projects
- h. East Orange County Feeder No. 2
- South County Projects

The Board received and filed the information as presented.

METROPOLITAN (MET) BOARD AND COMMITTEE AGENDA DISCUSSION ITEMS

- a. Summary regarding April MET Board Meetings
- 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 10:17 a.m.

Maribeth Goldsby
Board Secretary