

MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
April 26, 2017

At 6:00 p.m., President Osborne called to order the Special Meeting of the Municipal Water District of Orange County Board of Directors Board Room at the District facilities, 18700 Ward Street, Fountain Valley, California. Fountain Valley Councilman John Collins led the Pledge of Allegiance.

MWDOC DIRECTORS

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

STAFF PRESENT

Robert Hunter, General Manager
Karl Seckel, Assistant General Manager
Maribeth Goldsby, Board Secretary
Harvey De La Torre, Assoc. General Mgr.
Joe Berg, Water Use Eff. Programs Mgr.
Jonathan Volzke, Public Affairs Manager
Kevin Hostert, Water Resources Analyst
Heather Baez, Government Affairs Manager
Melissa Baum-Haley, Sr. Water Res. Analyst
Damon Micalizzi, Dir. Of Public Affairs

ALSO PRESENT

Larry McKenney
Cecilia Hupp
Chris Emeterio
Doug Davert
John Sears
Lisa Ohlund
Scott Goldman
Jose Vergara
Mark Monin
Cheryl Brothers
John Collins
Mark Lewis
Brian Ragland
Mary Aileen Mathias
Doug Reinhart
Peer Swan
Jim Atkinson
Jim Fisler
Stacy Taylor
Duane Cave
Scott Colton
Richard Fiore
Brian Probolsky
Don Froelich
Gary Kurtz
Jake Vollebregt
Chuck Gibson
Justin McCusker

MWDOC MET Director
City of Brea
City of Brea
East Orange County Water District
East Orange County Water District
East Orange County Water District
El Toro Water District
El Toro Water District
El Toro Water District
City of Fountain Valley
City of Fountain Valley
City of Fountain Valley
City of Huntington Beach
Irvine Ranch Water District
Irvine Ranch Water District
Irvine Ranch Water District
Mesa Water
Mesa Water
Mesa Water
Moulton Niguel Water District
Moulton Niguel Water District
Moulton Niguel Water District
Moulton Niguel Water District
Moulton Niguel Water District
Moulton Niguel Water District
Moulton Niguel Water District
Moulton Niguel Water District
Santa Margarita Water District
Santa Margarita Water District

Dan Ferons	Santa Margarita Water District
Schelly Sustarsic	City of Seal Beach
Greg Mills	Serrano Water District
Jerry Vilander	Serrano Water District
Dennis Erdman	South Coast Water District
Bill Green	South Coast Water District
Rick Erkeneff	South Coast Water District
Andy Brunhart	South Coast Water District
Glen Acosta	Trabuco Canyon Water District
Stephen Dopudja	Trabuco Canyon Water District
Chuck Puckett	City of Tustin
J. Wayne Miller	Yorba Linda Water District
Al Nederhood	Yorba Linda Water District
Marc Marcantonio	Yorba Linda Water District
Liz Mendelson-Goossens	San Diego County Water Authority

PUBLIC COMMENTS

No public comments were received.

President Osborne opened the meeting with introductions of each MWDOC Board member.

DISCUSSION ITEMS

DISCUSSION WITH REPRESENTATIVES FROM MWDOC’S MEMBER AGENCIES REGARDING KEY REGIONAL ISSUES AND KEY ORANGE COUNTY ISSUES, INCLUDING THE GOVERNOR BROWN’S UPDATED DROUGHT REGULATIONS, THE CALIFORNIA WATER FIX, AND WATER SUPPLY CONDITIONS AND ISSUES.

President Osborne stated that the evening would consist of three presentations by General Manager Robert Hunter, and that following each presentation there would be time allotted for dialogue/questions between the Board and audience. The following topics were covered:

- MWDOC FY 2017-18 Draft Budget
- Making Water Conservation a California Way of Life
- San Diego County Water Authority Outreach Program

Mr. Hunter provided an overview of the proposed budget for FY 2017-18, including the budget process, review by the Member Agencies, changes between the first and second draft budget documents, Choice MWDOC activities, outside funding (grants, etc.), MET rates, MET and MWDOC total cost amounts (per meter/per month), MWDOC’s proposed rates, key priorities and projects, and staffing levels.

Fountain Valley Mayor, John Collins suggested future presentations include a hard copy of the budget for attendees; it was noted that the draft budget document was posted on MWDOC’s website.

Mr. Hunter then provided an overview of the proposed legislation which was recently introduced as a result of the Governor’s Executive Order B-37-16 (Making Water

Conservation a California Way of Life). He highlighted the fact that the Governor's trailer bill language (Trailer Bill 810) would allow the SWRCB to set interim standards, allows only one mechanism to achieve these conservation standards, with no oversight from the Legislature and no CEQA review, imposes SWRCB cease and desist order processes and misdemeanor penalties for failure to meet any efficiency planning targets, specifies that state efficiency standards supersede water rights, extends the duration of State mandates during a declared emergency to one year, requires multiple arbitrary stages set by the SWRCB that may not reflect local conditions, and strands and desincentivizes resiliency investments (conservation requirements are applied to all water supplies including recycled water). He then compared AB 1668 and AB 1669 (Friedman) to AB 869, AB 968, and AB 1643 (Rubio), noting that the MWDOC Board adopted oppose positions on the Friedman bills, but supports the Rubio bills in that AB 869 requires recycled water use to be considered a water use efficiency measure and prohibits water retailers from having to reduce the amount of recycled water it produces/uses at any time. In addition, AB 968 allows local agencies to establish long-term goals, targets and standards, and allows for multiple compliance methods. Lastly, AB 1654 allows local suppliers to develop and report annual supply/demand assessments, develop and implement their own water shortage contingency plans, maintains water rights, and keeps the authority with the Legislature to establish or change long-term goals, targets or standards. Mr. Hunter concluded this presentation with an overview of the timing and movement of this legislation and encouraged all in attendance to either join MWDOC's coalition letters opposing the Friedman legislation and supporting the Rubio legislation, or send individual letters.

Considerable discussion ensued with specific emphasis on the need to engage ACWA in this effort, the potential loss of local control if the trailer bill (or Friedman bills) language is accepted, the need for community outreach on this issue (social media and other avenues), and the need for various groups to be involved and active (building industry, labor organizations, and the agricultural community, etc.).

Government Affairs Manager Heather Baez distributed copies of MWDOC's coalition letters.

General Manager Hunter then provided an overview of the San Diego County Water Authority's (SDCWA) Outreach Program which calls for education and public relations campaign to expand into other parts of the MET service area including Orange and Ventura Counties, and Inland Empire area. The SDCWA's MET public outreach budget was increased to \$875,000 and its purpose is to achieve near-term and long-term changes at MET by informing and educating local elected officials on MET rates and fiscal issues. He commented that much of SDCWA's message is unfounded and contrary to what other MET agencies believe. SDCWA's message has been focused on how MET is out-of-control on spending, overcharging ratepayers, and not transparent or fiscally accountable. He encouraged those in attendance to ask questions of their MET Directors, to know and understand that there are two sides to every issue; he provided counterpoints to each of the SDCWA issues. Mr. Hunter asked each attendee to notify MWDOC in the event they are contacted by SDCWA.

ROUNDTABLE DISCUSSION

Mr. John Collins (Fountain Valley) had several line-item questions regarding MWDOC's budget and was encouraged to contact staff with further questions.

Discussion was again held regarding the Trailer Bill language, the need to oppose this, and a process for the agencies to work collaboratively on this issue; it was noted that Heather Baez would contact each local water agency for input.

ADJOURNMENT

There being no further business to come before the Board, President Osborne adjourned the meeting at 8:00 p.m.

Respectfully submitted,

Maribeth Goldsby, Secretary