

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

April 1, 2009

At 7:30 a.m., Vice President Finnegan called to order the Regular 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 Royce led the Pledge of Allegiance and Secretary Goldsby called the roll.

**MWDOC DIRECTORS**

Ed Royce, Sr.  
Brett R. Barbre (arr. at 8:00 am)  
Wayne A. Clark (absent)  
Larry Dick\* (arr. at 8:00 am)  
Ergun "Eric" Bakall\*  
Joan Finnegan  
Susan Hinman

**MWDOC STAFF**

Kevin Hunt, General Manager  
Karl Seckel, Assistant General Manager  
Maribeth Goldsby, Board Secretary  
Dan Payne, Legal Counsel  
Harvey De La Torre, Principal Analyst  
Darcy Burke, Director of Public Affairs  
Warren Greco, Intern/Limited Term

\*Also MWDOC Met Directors

**OTHER MWDOC MET DIRECTORS**

Jack Foley  
Linda Ackerman

MWDOC Met Director  
MWDOC Met Director

**OTHERS PRESENT**

Howard Johnson  
Carlo Nafarrete  
Jeff Henderson  
Alan Freislebein  
Ray Miller  
John O'Donnell  
Bob Kellison  
Diana Leach  
Frank Heldman  
Bob Hill  
William Kahn  
Steve LaMar  
Peer Swan  
Paul Jones  
Doug Reinhart  
Joan Lyle  
Don Froelich  
Julia Velez  
John Kennedy

City of Huntington Beach  
City of La Habra  
City of La Habra  
City of San Juan Capistrano  
City of San Juan Capistrano  
City of San Juan Capistrano  
City of Fountain Valley  
Golden State Water Company  
Golden State Water Company  
El Toro Water District  
El Toro Water District  
Irvine Ranch Water District  
Irvine Ranch Water District  
Irvine Ranch Water District  
Irvine Ranch Water District  
City of Buena Park  
Moulton Niguel Water District  
San Diego County Water Authority  
Orange County Water District

Lee Pearl  
Mark Beuhler  
Ken Vecchiarelli  
Dick Dietmeier  
Eddie Rigdon

Mesa Consolidated Water District  
HDR  
Yorba Linda Water District  
South Coast Water District  
Aecom

### **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.

### **PUBLIC PARTICIPATION/PUBLIC COMMENTS**

President Clark announced members of the public wishing to comment on agenda items could do so after the item has been discussed by the Board and requested members of the public identify themselves when called on. Mr. Clark asked whether there were any comments on other items which would also be heard at this time.

South Coast Water District Director Dick Dietmeier distributed copies of an *Orange County Register* article regarding the pumping restrictions on the Delta and issues surrounding the Delta Smelt.

### **OPENING STATEMENTS/REMARKS**

Several audience members (new to the meeting) were introduced to the Board. The introductions included Steve LaMar (Irvine Ranch Water District), Ken Vecchiarelli (Yorba Linda Water District), Joan Lyle (City of Buena Park), Carlo Nafarrete (City of La Habra), and Jeff Henderson (City of La Habra).

Director Ackerman reported on her legislative activities in Sacramento, which included various meetings with legislators, as well as ACWA's Legislative Day. She highlighted Delta issues, commenting that, in her belief, the individual legislators will have both a negative and positive impact on developing/supporting a Delta conveyance. She did, however, highlight the fact that water is at the forefront of discussion in Sacramento.

Director Bakall highlighted his activities at MET, which included information on the MET rates and budget, the allocation plan (which will be on the April agenda), and his participation on the Integrated Resources Plan (IRP) Committee. With respect to the emphasis of the IRP Committee, he noted that he hopes that MET's role on recycling, desalination, storm water, etc. will be more clearly defined.

Director Foley stated that he attended many of the legislative meetings in Sacramento (with Director Ackerman) as well as the MET budget workshops, wherein the option of identifying the Delta pumping restrictions as a separate charge was being pursued. Mr.

Foley then provided an update on Colorado River water supplies, highlighting the importance of maintaining and protecting our Colorado River supply (as it is the main source of imported water to the area). He also advised that MET renewed its office space lease in Sacramento and that this office space is available for use by MET's member agencies.

Mr. Dick Dietmeier (South Coast Water District) thanked Director Foley and General Manager Hunt for a presentation they made to the SCWC Board of Directors on the rate issues.

Director Finnegan also thanked staff for their continued presence (and educational presentations) at MWDOC client agency meetings.

## **PRESENTATIONS**

### **STATE WATER PROJECT UPDATE AND MET WATER SUPPLY CONDITIONS**

Mr. Eddie Rigdon (Aecom) presented information relative to the State Water Project and MET's supply conditions. His presentation included an overview of precipitation levels to date, an overview of snow pack conditions in Northern California, and an overview of the status of water storage and the 2009 supply situation.

(Director Barbre arrived at 8:00 a.m.)  
(Director Dick arrived at 8:10 a.m.)

Principal Analyst, Harvey De La Torre commented that the policy issue currently facing MET is water storage (whether to take more water from storage, or leave as is).

The Board received and filed the information as presented.

### **UPDATE ON MET'S PROPOSED BUDGET & RATES FOR FY 2009/10**

Mr. De La Torre presented information on MET's proposed budget and rates for fiscal year 2009/10. His presentation included information on discretionary budget line items, potential cost cuts, an overview of Pay-As-You Go funding levels, and an overview of how water sales (or lack thereof) will affect the potential rate increases for the coming year. With respect to rate increases, Mr. De La Torre reviewed issues that will affect MWDOC's client agencies, both long-term and short-term benefits to MET, and public and political implications.

General Manager Hunt then provided information on the development of a "Delta" surcharge which would highlight the court's decision on Delta pumping restrictions, as well as various options for implementing rate increases.

Considerable discussion ensued regarding the "Delta" surcharge, with Mr. Hunt advising that the concept of a "Delta" surcharge was widely received, however, there were inequities with the current surcharge terms due to the fact that certain agencies (San

Diego County Water Authority) would not be required to pay the surcharge due to its wheeling arrangement with Imperial Irrigation District. He advised that this issue was under discussion at MET and that he anticipated a suitable resolution.

The Board and audience also discussed the options for implementing rate increase, with those present generally preferring Option 4 (a 19.7% rate increase on September 1, 2009, followed by a 21.5% increase on January 1, 2011).

The discussion turned to the Delta gates (which should be complete in September or October), as well as the Governor's recent declaration of emergency, which may help pave the way for a Delta fix.

The Board received and filed the information as presented.

### **DISCUSSION ITEMS**

#### **MET ITEMS CRITICAL TO ORANGE COUNTY**

- a. **Water Supply Allocation Plan Development**
- b. **MET Integrated Resources Plan**
- c. **Long Range Finance Plan**
- d. **Colorado River Issues**
- e. **Bay Delta/State Water Project Issues**
- f. **Central Pool Augmentation Project**
- g. **MET's Desalination Policy**
- h. **Introduction of Local Water into MET System**
- i. **Participation by MET in the South Orange Coastal Desalination Project**
- j. **Second Lower Cross Feeder**

Mr. De La Torre highlighted three items, namely, the Water Supply Allocation Plan (noting that the MET Board is scheduled to take action on this item in April), the IRP update, and the Colorado River issues. Mr. Mark Beuhler updated the Board on Colorado River issues, noting it is in good shape, that discussions/relationships among the Colorado River partners are good. A brief discussion ensued regarding the Yuma desalter.

The Board received and filed the report as presented.

#### **METROPOLITAN (MET) BOARD AND COMMITTEE AGENDA DISCUSSION ITEMS**

- a. **Summary regarding March MET Board Meeting**

The Board received and filed the information.

**b. Review items of significance for the April MET Board and Committee Agendas**

The Board received and filed the information.

**ADJOURNMENT**

There being no further business to come before the Board, the meeting adjourned at 9:20 a.m.

**APPROVED:**

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Wayne A. Clark, President

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Maribeth Goldsby, Board Secretary