

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

August 6, 2008

At 7:30 a.m., President Clark 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. Legal Counsel Payne led the Pledge of Allegiance and Secretary Goldsby called the roll.

MWDOC DIRECTORS

Ed Royce, Sr.
Brett R. Barbre (absent)
Wayne A. Clark
Larry Dick*
Ergun "Eric" Bakall*
Joan Finnegan
Susan Hinman (via teleconference)

*Also MWDOC Met Directors

MWDOC STAFF

Kevin Hunt, General Manager
Karl Seckel, Assistant General Manager
Maribeth Goldsby, Board Secretary
Dan Payne, Legal Counsel
Matt Stone, Associate General Manager
Harvey De La Torre, Principal Analyst
David Cordero, Dir. of Governmental Affairs
Warren Greco, Limited Term Employee
Darcy Burke, Dir. of Public Affairs
Richard Bell, Principal Engineer

OTHER MWDOC MET DIRECTORS

Jack Foley
Linda Ackerman (absent)

MWDOC Met Director
MWDOC Met Director

OTHERS PRESENT

Trudy Ohlig-Hall
Francis Logan
Susan Trager
Thom Coughran
Dick Dietmeier
Mike Dunbar
Howard Johnson
Diana Leach
Ismile Noorbaksh
Bob Hill
Peer Swan
Paul Jones
Mike Markus
John Kennedy
Craig Miller
Gina DePinto
Jeff Kightlinger

Mesa Consolidated Water District
Law Offices of Susan Trager
Law Offices of Susan Trager
City of Santa Ana
South Coast Water District
South Coast Water District
City of Huntington Beach
Golden State Water Company
City of La Palma
El Toro Water District
Irvine Ranch Water District
Irvine Ranch Water District
Orange County Water District
Orange County Water District
Orange County Water District
Orange County Water District
Metropolitan Water District of So. California

TELECONFERENCE SITE

President Clark announced that Director Hinman would be participating via telephone conference from Rollins, Montana. (All agenda requirements pursuant to the Ralph M. Brown Act were complied with.)

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.

No public comments were received.

DISCUSSION ITEMS**DELTA UPDATE**

Associate General Manager Matt Stone provided information regarding the Delta, noting there are a number of concurrent activities and processes related to the Delta which are moving to a head in 2008 and 2009 that will impact Metropolitan's State Water Project supply for many years to come. He reviewed several issues with the Board, including overviews of the Governor's Blue Ribbon Task Force Delta Vision & Strategic Planning Process, the Public Policy Institute of California Reports, and the Water Bond proposals.

The Board then held a roundtable discussion and question/answer session with MET General Manager Jeff Kightlinger.

Mr. Kightlinger presented information relative to MET's overall supply forecast and plans to combat the dim outlook and MET's plans to implement its Shortage Allocation Plan in 2009. His comments included information on cut-backs on both the Delta and Colorado River, noting that the State Water Contractors are prepared to spend \$100 million on short-term fixes.

Many comments/questions were made from audience members. These topics included the water bond and how it may or may not help build an isolated facility as well as its

terms relating to possible storage facilities, how MET plans to address the governance issues on the Delta, the Judge Wanger decision and whether there would be potential future additional cut-backs, and the reasons why MET is waiting until 2009 to implement its Shortage Allocation Plan and whether it would be prudent to start implementation earlier.

Following discussion, the Board thanked Mr. Kightlinger for his presentation.

STATUS UPDATE ON THREE PROJECTS THAT INCLUDE MET

The Board then reviewed the following projects with Mr. Kightlinger.

a. Second Lower Cross Feeder

Assistant General Manager provided an update on the status of the Second Lower Cross Feeder project and asked the MET Directors to support the request for a joint consultant study to keep the project moving.

The Board discussed the project with Mr. Kightlinger who noted that although he supports the study idea, there is a philosophical issue on whether this project aligns with the MET mission (of local or regional benefit). Several comments were made, with Director Bakall highlighting the fact that there are many inequities within the MET system (on reliability); he emphasized that the project provides MET system reliability.

b. Participation by MET in the Dana Point Desalination Project

Assistant General Manager Seckel then updated the Board on the Dana Point Desalination project and requested that each MET Director support staff in continuing to work to gain MET participation in the Dana Point project and to vigorously advocate for MET participation among MET staff and directors.

South Coast Water District Director Deitmeier thanked the Board for their efforts, noting that there was some concern with the Regional Board's attitude/approach to this project and requested the MET Directors' help in securing support for this project.

(Director Finnegan left the meeting at 9:00 a.m.)

Mr. Kightlinger commented that the project currently falls under MET's Local Resources Program guidelines, however it may be time to re-evaluate MET's role in this project. He did note, however, that the project had MET's logistical and political support.

(Director Royce left the meeting at 9:20 a.m. As a quorum of the Board was not present at this point, the meeting proceeded as a workshop pursuant to the MWDOC Administrative Code.)

c. Introduction of Local Water Into the AMP

Mr. Seckel concluded his presentation by updating the Board on the introduction of local water into the AMP and requested that the MET Directors vigorously advocate for bringing this issue to a successful closure at the September MET Board meeting.

In the discussion with Mr. Kightlinger, Mr. Hunt requested help in narrowing down the negotiating positions by MET staff; Mr. Kightlinger concurred.

Following a brief discussion, President Clark suggested the MET Directors push to have this project placed on the September MET Board agenda.

MET ITEMS CRITICAL TO ORANGE COUNTY

- a. **Water Supply Allocation Plan Development**
- b. **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. **MET's Five-Year Water Supply Plan**

The Board received and filed the information as presented.

METROPOLITAN (MET) BOARD AND COMMITTEE AGENDA DISCUSSION ITEMS

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

No new information was presented.

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

The Board received and filed the agenda.

DIRECTORS' REPORTS

- a. **MET Directors**
- b. **MWDOC Directors**

No comments were made.

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 9:30 a.m.

APPROVED:

Wayne A. Clark, President

Maribeth Goldsby, Board Secretary