

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

December 2, 2009

At 8:00 a.m., President Clark 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. President Clark led the Pledge of Allegiance and Secretary Goldsby called the roll.

MWDOC DIRECTORS

Brett R. Barbre
Wayne A. Clark
Larry Dick*
Joan Finnegan (absent)
Susan Hinman (absent)
Ed Royce, Sr.
Jeffery M. Thomas

MWDOC STAFF

Kevin Hunt, General Manager
Karl Seckel, Assistant General Manager
Maribeth Goldsby, Secretary
Dan Payne, Legal Counsel
Harvey De La Torre, Principal Analyst
Darcy Burke, Dir. of Public Affairs
Warren Greco, Water Resource Analyst

*Also MWDOC Met Director

OTHER MWDOC MET DIRECTORS

Jack Foley
Linda Ackerman

OTHERS PRESENT

Diana Leach	Consultant to Golden State Water Company
Howard Johnson	City of Huntington Beach
Ray Miller	City of San Juan Capistrano
Mike Dunbar	South Coast Water District
Dick Dietmeier	South Coast Water District
Michael Hurley	Malcolm Pirnie
Julia Velez	San Diego County Water Authority
William Kahn	El Toro Water District
David Shepherd	Shepherd Strategies

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 comments were made.

APPOINTMENT OF MWDOC MET DIRECTOR

President Clark nominated Brett R. Barbre as MWDOC MET Director (to serve at the pleasure of the Board).

Upon MOTION by Director Clark, seconded by Director Thomas, and carried (5-0), the Board adopted RESOLUTION NO. 1863 Appointing Brett R. Barbre as MWDOC's Representative to the Metropolitan Water District of Southern California's Board of Directors. Said RESOLUTION was adopted by the following roll call vote:

AYES: Directors Barbre, Clark, Dick, Royce, & Thomas
 NOES: None
 ABSENT: Directors Finnegan and Hinman
 ABSTAIN: None

PROPOSED ADDITION TO MALCOLM PIRNIE SCOPE OF WORK TO FORM AGENCY MANAGERS' WORKING GROUP

General Manager Hunt stated that staff is recommending the Board authorize an augmentation to the District's existing contract with Malcolm Pirnie for their consulting services with the MET managers working group (MWDOC portion would be \$7,000).

Director Dick expressed concern with the method of calculating costs for each participating agency (\$7,000 per municipal water district and \$1,000 for each city), suggesting that the costs be spread more evenly.

Considerable discussion ensued regarding the participating agencies, the costs of the contract, the scope of work, MWDOC's role, and the importance of the effort.

Director Dick advised that although he supports the proposal in concept, he would like staff to research a more equitable funding formula. Staff was directed to explore a more equitable funding formula and present the findings to the Administration & Finance Committee.

MWD ITEMS CRITICAL TO ORANGE COUNTY

- a. MWD's Water Supply Allocation Plan
- b. Integrated Resource Plan 2009 Update
- c. Long Range Finance Plan – Cost of Service Review
- d. Colorado River Issues
- e. Bay Delta/State Water Project Issues
- f. Central Pool Augmentation Project
- g. Introduction of Local Water into the AMP
- h. MET's Ocean Desalination Policy and Potential Participation by MET in the South County Coastal Ocean Desalination Project (formerly Dana Point Desalination Project)
- i. Second Lower Cross Feeder
- j. IRWD Strand Ranch Water Transfer Through MET

Mr. De La Torre highlighted (a) above, noting that water sales are below the target amounts outlined in the Allocation Plan, and that the plan is working well.

The Board also discussed (b) regarding the Integrated Resources Plan, noting that the third Strategic Policy Review workshop was held on November 30, 2009 and focused on (1) MET's role in providing incentives for local resource development and conservation; (2) MET's potential role in the development of local, large-scale recycling and desalination projects, and (3) the impacts to regional reliability under the Current Approach, Interdependency Plus and Imported Focus approaches.

Considerable discussion ensued regarding MET's potential roles in local resource development and conservation, as well as its role in developing local large-scale recycling and desalination projects. The Board also discussed proposals for a Delta Fix and its potential impact on the IRP.

The Board then focused on the Laguna Declaration, and MET's mission to be a regional water supplier (rather than a supplemental water supplier), and the fact that some of MET's member agencies advocate that its mission be limited to that of a supplemental water supplier. The Board generally supported its role as a regional water supplier and discussed whether to adopt a formal position on this issue. The Board suggested staff develop language to this effect and present to the Board for consideration at an appropriate future meeting.

Mr. De La Torre advised that he would be presenting information on MET's revenue requirements, budget/rates and charges at the next Workshop Board meeting.

Director Dick suggested the meeting times change to 8:30 a.m.

The Board received and filed the report.

METROPOLITAN (MET) BOARD AND COMMITTEE AGENDA DISCUSSION ITEMS

a. Summary regarding November MET Board Meeting

The Board received and filed the information.

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

The Board received and filed the information.

CLOSED SESSION

(Conference with Legal Counsel regarding anticipated litigation/Government Code Section 54956.9(c) (one case))

President Clark announced that no closed session would be held.

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