

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

July 1, 2009

At 7:35 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. Director Clark led the Pledge of Allegiance and Secretary Davanaugh called the roll.

MWDOC DIRECTORS

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

MWDOC STAFF

Kevin Hunt, General Manager
Karl Seckel, Assistant General Manager
Katie Davanaugh, Secretary
Dan Payne, Legal Counsel
Harvey De La Torre, Principal Analyst
Darcy Burke, Director of Public Affairs
Warren Greco, Analyst
Richard Bell, Principal Engineer

*Also MWDOC Met Directors

OTHER MWDOC MET DIRECTORS

Jack Foley
Linda Ackerman

OTHERS PRESENT

Eddie Rigdon
Howard Johnson
Ray Miller
Eric Beauman
Diana Leach
Bob Hill
William Kahn
Mark Beuhler
Steve LaMar
Peer Swan
Michael Hurley
Ed Means
Bob McViker
Trudy Ohlig-Hall
Lee Pearl
John Kennedy
Julia Velez
David Shepherd
Bob Moore
Don Chadd

Aecom
City of Huntington Beach
City of San Juan Capistrano
City of San Juan Capistrano
Consultant to Golden State Water Company
El Toro Water District
El Toro Water District
HDR
Irvine Ranch Water District
Irvine Ranch Water District
Malcolm Pirnie
Malcolm Pirnie
Mesa Consolidated Water District
Mesa Consolidated Water District
Mesa Consolidated Water District
Orange County Water District
San Diego County Water Authority
Shepherd Strategies
South Coast Water District
Trabuco Canyon Water District

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 comments were made.

OPENING STATEMENTS/REMARKS

Director Clark reported the resignation of Director Ergun Bakall from the Board of Directors from both Municipal Water District of Orange County and Metropolitan Water District.

OPENING STATEMENTS/REMARKS FROM MWDOC MET DIRECTORS

No comments were received from Directors Foley or Ackerman.

MET'S 2009 INTEGRATED RESOURCES PLAN (IRP) UPDATE

Mark Buehler from HDR Engineering provided a summary of MET's Integrated Resources Plan update via PowerPoint presentation. Mr. Buehler reviewed a historical timeline of MET's planning for the IRP from 1993 to present. The presentation also illustrated the various sources from which Southern California receives its water, noting that sources include water banking and exchanges, transfers and storage, the Los Angeles Aqueduct, State Water Project supplies, the Colorado River Aqueduct, local supplies and conservation measures. Mr. Buehler went on to define what an "IRP" is, noting that it is a planning process that examines all types of water supplies and conservation in a holistic and interconnected manner.

Mr. Buehler also reviewed service area actual and projected retail demands, supply and demand balance (dry year analysis); resource mixes that have been evaluated against historical hydrologic and climate conditions. Mr. Buehler noted that strategies from the early 1990s stressed a heavy dependence on imported water supply and the State Water Project, while today the emphasis is on conservation, local supply and storage and new challenges include the consideration of climate impacts, endangered species, energy costs, water quality issues and capital financing.

The 2009 IRP Update will expand on the methodology used in the early 1990s and includes more extensive analysis of the various scenarios that impact MET's IRP. The next steps for the IRP include a MET Board Workshop meeting on July 21, a member agency workgroup

meeting which will be in July, a public forum meeting to be scheduled in September or October, and completion of the IRP anticipated in November or December 2009.

PRESENTATION ON METROPOLITAN WATER DISTRICT INSPECTION TRIP PROGRAM

Ms. Darcy Burke provided an overview of the MET Inspection Trip Program at the request of MET Director Linda Ackerman. Ms. Burke noted that now would be the time to schedule trips for those interested. Director Clark also reminded members of the Board and those present that staff members were welcome to attend, and encouraged to participate in the tours.

Ms. Burke noted that more 1-day trips are scheduled for the new fiscal year and that the program materials have been developed and tailored to the trip itinerary. Staff has streamlined the process to include electronic registration which has significantly increased time and cost effectiveness.

Ms. Burke reviewed the target audiences that staff is reaching and Director Barbre requested that the press be added to the audience list. Ms. Burke stressed the importance of providing names to staff so that the invitees can be contacted for participation on the tours. A summary of the 2009/10 program and budget was reviewed as well as post-trip follow-up measures. For the 2009/10 Colorado River Aqueduct and Hoover trips, the tour duration is 2-3 days and Directors may be asked to combine trips, depending on demand. Staff has been requested to limit the number of Hoover trips so that they can be focused on power issues. Director Ackerman suggested that staff contact members of the Master Gardeners and utilize members of that particular interest group.

NEAR TERM ACTIONS FOR MET'S CONSERVATION REBATE PROGRAM

Harvey De La Torre reported that a very active discussion was held at MET regarding this issue. The MET Board voted to direct their auditor to validate the current dollar amount of the backlog and provide a report on the effectiveness of the program. Director Hinman expressed concern about the agencies in her District who have been actively participating in the conservation program and may not receive reimbursements. Ms. Ackerman noted that MET discussed this issue and it is MET's hope to provide reimbursement to those that have already been promised rebates. Ms. Ackerman noted that, more importantly, is MET's ability to be able to continue the program beyond fiscal year 2009/2010.

MWD ITEMS CRITICAL TO ORANGE COUNTY

Harvey De La Torre reported that items of significance in the staff report which include the Long Range Finance Plan – Cost of Service Review, the Bay Delta/State Water project Issues, and in particular, the summary list of bay-Delta litigation. Environmental concerns continue to have a large impact on fixing the problems in the Bay-Delta.

Discussion was held on water quality risks to southern California with regard to conveyance from the Bay-Delta and waste-water discharge issues. Mr. Hunt reported that staff would ask Metropolitan Water District to address this topic at a future Joint Board Workshop meeting.

METROPOLITAN (MET) BOARD AND COMMITTEE AGENDA DISCUSSION ITEMS

Mr. De La Torre noted that the MET items were not yet available due to a change in meeting schedule and the upcoming 4th of July holiday.

Ms. Ackerman noted that all of the MET Board items are now recorded digitally and are available for review on the MET website.

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 8:48 a.m.

APPROVED:

Wayne A. Clark, President

Maribeth Goldsby, Board Secretary