

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

June 3, 2009

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. Director Dick led the Pledge of Allegiance and Secretary Goldsby called the roll.

**MWDOC DIRECTORS**

Ed Royce, Sr.  
Brett R. Barbre  
Wayne A. Clark  
Larry Dick\*  
Ergun "Eric" Bakall\*  
Joan Finnegan  
Susan Hinman

**MWDOC STAFF**

Kevin Hunt, General Manager  
Karl Seckel, Assistant General Manager  
Maribeth Goldsby, Board Secretary  
Russ Behrens, Legal Counsel  
Harvey De La Torre, Principal Analyst  
Darcy Burke, Director of Public Affairs  
Warren Greco, Intern/Limited Term  
Richard Bell, Principal Engineer  
Joe Berg, Water Use Efficiency Prog. Mrg.

\*Also MWDOC Met Directors

**OTHER MWDOC MET DIRECTORS**

Jack Foley  
Linda Ackerman

MWDOC Met Director  
MWDOC Met Director

**OTHERS PRESENT**

Dick Dietmeier  
Howard Johnson  
Diana Leach  
Frank Heldman  
Steve LaMar  
Julia Velez  
Ray Miller  
Peer Swan  
Paul Jones  
Doug Reinhart  
Paul Weghorst  
Trudy Ohlig-Hall  
Bob Hill  
William Kahn

South Coast Water District  
City of Huntington Beach  
Golden State Water Company  
Golden State Water Company  
Irvine Ranch Water District  
San Diego County Water Authority  
City of San Juan Capistrano  
Irvine Ranch Water District  
Irvine Ranch Water District  
Irvine Ranch Water District  
Irvine Ranch Water District  
Mesa Consolidated Water District  
El Toro Water District  
El Toro Water District

John Kennedy  
Mark Beuhler  
David Shepherd  
Eddie Rigdon  
Jerry King  
Eric Bauman

Orange County Water District  
HDR  
Shepherd Strategies  
Aecom  
Michael Brandman & Assoc.  
City of San Juan Capistrano

### **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**

No comments or opening statements were made by the MET Directors.

### **PRESENTATIONS**

#### **PRESENTATION REGARDING IRVINE RANCH WATER DISTRICT'S (IRWD) STRAND RANCH WATER BANKING PROJECT**

Irvine Ranch Water District General Manager Paul Jones provided an overview of IRWD's Water Banking Project. The information he presented included an overview of the purpose of the project, progress to date, recovery facilities, conveyance capacity (via an expansion of the Cross Valley Canal), construction of turnouts, and the possible sources of water to the water bank. Mr. Jones also provided an overview of the objectives of the Cooperative Operating and Exchange Agreement, the principles and scope for the Agreement, as well as information relative to the water storage delivery procedures, MET and IRWD recovery rights from the Bank, and water supply and other costs. He advised that the transaction would require a separate agreement with MWDOC (as facilitator). He concluded his presentation with information on the benefits of the exchange and the proposed schedule for completion.

A discussion period followed Mr. Jones' presentation. Specific discussion was held regarding how the banking project would impact the Tier 1 and 2 rates, the cost of the water, and whether there was any potential for any challenges to the agreement (none so far).

The Board received and filed the information as presented.

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

Principal Analyst Harvey De La Torre updated the Board on the State Water Project and MET water supply conditions, which included an overview of the demand levels to date, as well as storage levels (projected through January 2010). Several Directors expressed confusion with respect to the information provided regarding Colorado River Aqueduct's 1.05 million acre-feet and its relation to the pull from storage/transfer and requested this information be more clearly defined in future presentations.

The Board received and filed the information as presented.

### **NEAR TERM ACTIONS FOR MET'S CONSERVATION REBATE PROGRAM**

Mr. De La Torre presented an update on MET's conservation rebate program, noting there was an unprecedented response to MET's regional programs, and due to the increased incentive activities the funds were exhausted, resulting in a need for a near-term action plan. He reviewed the proposed near-term actions, which included redirecting funds to cover the \$18 million conservation backlog, implementation of a continuous "Reservation System," postponing the CII rebate program until a new rebate administrative vendor is selected, deferring the second installment of the Public Sector Program and reducing the rebate incentive level for the conservation devices. Additionally, MET is proposing long-term actions which include updating the MET Conservation Program Policy, improving budget planning, and implementing market research adjustments.

The Board then directed questions to Water Use Efficiency Programs Manager Joe Berg. Directors Foley and Hinman cited problems that arose with the Reservation System, and Mr. Berg advised that the Reservation System may change to include the entire annual amount of funding (instead of incrementally month-by-month) and would cease when the funding is depleted.

Director Bakall supported the idea of a continuous rebate program because it would allow conservation measures to be implemented more immediately to achieve the water savings during the hot summer months, rather than incremental allotments throughout the year.

Considerable discussion ensued regarding the reservation system and whether it was effective, as well as general comments regarding funding (whether to implement and use funding for such rebate programs, or use funding for advertisements encouraging the public to purchase the conservation devices)

The Board received and filed the information as presented.

**DISCUSSION ITEM**

**MET ITEMS CRITICAL TO ORANGE COUNTY**

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

Mr. De La Torre highlighted the Integrated Resources Plan, noting that the IRP Steering Committee is in the process of developing policy issues; more information will be presented to the Board in July.

The Board received and filed the report as presented.

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

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

The Board received and filed the information.

- b. **Review items of significance for the June 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 9:09 a.m.

**APPROVED:**

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Wayne A. Clark, President

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Maribeth Goldsby, Board Secretary