

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

November 5, 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. Irvine Ranch Water District Director Darryl Miller led the Pledge of Allegiance and Secretary Goldsby called the roll.

MWDOC DIRECTORS

Ed Royce, Sr. (absent)
Brett R. Barbre
Wayne A. Clark
Larry Dick* (arr. at 7:55 am)
Ergun "Eric" Bakall*
Joan Finnegan
Susan Hinman

MWDOC STAFF

Kevin Hunt, General Manager (absent)
Karl Seckel, Assistant General Manager
Maribeth Goldsby, Board Secretary
Dan Payne, Legal Counsel
Darcy Burke, Dir. of Public Affairs
Harvey De La Torre, Principal Analyst
David Cordero, Dir. of Governmental Affairs
Warren Greco, Intern

*Also MWDOC Met Directors

OTHER MWDOC MET DIRECTORS

Jack Foley
Linda Ackerman

MWDOC Met Director
MWDOC Met Director

OTHERS PRESENT

Dick Dietmeier
Mike Dunbar
Howard Johnson
Lee Pearl
Jim Atkinson
Bob McVicker
Darryl Miller
John O'Donnell
Ray Miller
Bob Kellison
John Kennedy
Peer Swan
Frank Heldman

South Coast Water District
South Coast Water District
City of Huntington Beach
Mesa Consolidated Water District
Mesa Consolidated Water District
Mesa Consolidated Water District
Irvine Ranch Water District
City of San Juan Capistrano
City of San Juan Capistrano
City of Fountain Valley
Orange County Water District
Irvine Ranch Water District
Golden State Water Company

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.

Although no public comments were made, the Board congratulated the re-elected Board members (Directors Hinman, Bakall, Finnegan, and Royce) as well as those re-elected to client agencies.

DISCUSSION ITEMS**UPDATE ON MET'S FIVE-YEAR WATER SUPPLY PLAN**

Principal Analyst Harvey De La Torre presented information relative to MET's 5-Year Water Supply Plan (Plan). His presentation included an overview of the Plan, overview of the estimated increased conservation as a result of the Plan, and an overview of the MET model water conservation ordinance. He also summarized potential problems associated with the Ordinance and MET policy recommendations.

The Board discussed the overall purpose of the proposed Ordinance. Mr. Bakall explained that the Ordinance is more a proposal to agencies (than a statement of policy) and that it outlines several elements from which agencies can choose.

MET Director Foley commented on MET's role with respect to conservation and highlighted the importance of MET to stay away from imposing regulations at the retail level. He stated his belief that it would be prudent to separate the issues and have MET's Ordinance pertain to issues between MET and its agencies, while the retail agencies adopt their own ordinances tailored to their needs.

Considerable discussion ensued regarding the Ordinance, conservation (as well as the amount of money spent on conservation efforts), and the need to secure additional water supplies.

IRWD Director Swan commented that rather than implement an Ordinance, MET should apply the terms of the proposed ordinance to only those agencies that do not achieve their goals under the Allocation Plan; those that do meet their goals should be removed from the Ordinance terms.

MCWD General Manager Lee Pearl requested that the MET Board delay action on this item to allow more time for review and comment by the agencies.

The discussion continued with specific emphasis on what role MET should take with respect to conservation and enforcement, the Water Code sections governing the agencies' authority to enforce conservation, and the need to secure additional water supplies.

Mr. Seckel advised that this item would be reviewed by the Managers group in December and staff will continue to keep the Board apprised of its progress.

MET LEGISLATIVE PLATFORM 2009

Mr. De La Torre advised that MET is currently addressing its legislative platform for 2009, which includes a proposal for legislation to change MET's tax rate to a fixed 0.0043 percent (in an effort to increase revenue). Discussion ensued regarding the pros and cons of a fixed tax rate.

Director of Governmental Affairs David Cordero then highlighted additional legislative proposals currently under discussion/review by MET and ACWA, which included (1) mandatory plumbing fixture retrofit on resale; (2) voluntary use of property tax for installation of financing conservation devices (SmarTimers, artificial turf, etc.); (3) expanding the fight against Quagga mussels; (4) changes in water transfers/CEQA requirements; (5) renewable energy; and (6) landscaping requirements. He noted that all of these issues would be evaluated and presented to the Public Affairs & Legislation Committee for review.

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**
- i. Introduction of Local Water into MET System**
- j. Participation by MET in the South County Coastal Desalination Project**

Following a brief discussion regarding the issues outlined, the Board requested that the Second Lower Cross Feeder be added to the matrix as an item of significant importance to Orange County. The Board received and filed the information as presented.

METROPOLITAN (MET) BOARD AND COMMITTEE AGENDA DISCUSSION ITEMS

a. Summary regarding October MET Board Meeting

The Board received and filed the information.

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

Staff advised that due to the timing of the MET Board meeting, the MET agenda was not yet available.

DIRECTORS' REPORTS

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

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 9:15 a.m.

APPROVED:

Wayne A. Clark, President

Maribeth Goldsby, Board Secretary