

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

September 2, 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 Thomas 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
Warren Greco, Analyst
Joe Berg, Water Use Efficiency Prog. Mgr.

*Also MWDOC Met Director

OTHER MWDOC MET DIRECTORS

Jack Foley

OTHERS PRESENT

Bob Kellison
Diana Leach
Frank Heldman
Dick Dietmeier
Mike Dunbar
Howard Johnson
Ray Miller
Trudy Ohlig-Hall
Jim Fisler
Bob McVicker
Denis Bilodeau
John Kennedy
Doug Reinhart
Steve LaMar
Paul Jones
Peer Swan
Bob Hill
William Kahn
Michael Hurley
David Shepherd
Julia Velez

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

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.

Trudy Ohlig-Hall (Mesa Consolidated Water District) introduced Mesa's new Director, Mr. Jim Fisler. The Board welcomed him.

OPENING STATEMENTS/REMARKS FROM MWDOC MET DIRECTORS

No comments were made.

METROPOLITAN'S ROLE AND RESPONSIBILITY IN THE DEVELOPMENT OF WATER RESOURCES

Principal Analyst, Harvey De La Torre encouraged dialogue (among both the MWDOC Board and the MWDOC MET Directors) regarding what MWDOC perceives as MET's role and responsibility to ensure water reliability in Southern California over the next 25 years.

Mr. De La Torre then provided an overview of potential roles MET could play in future resource development (as outlined in MET's white paper). His presentation included an overview of the potential policy impacts, background information on MET's historic role (Laguna Declaration and MET's mission statement), the IRP reliability goal, as well as an overview of the possible alternative roles for MET. Mr. De La Torre also touched on MET's current approach, noting that MET takes responsibility for imported water reliability programs and objectives, provides incentives to its member agencies to develop local supplies, and coordinates with its member agencies on in-basin groundwater conjunctive use projects. He also commented on what an expanded regional reliability approach and the imported water focus approach would look like, as well as highlighting key comments made at the recent IRP workshop.

President Clark commented on the policy impacts, and highlighted the need to include an analysis on the impact water has on the regional economy; it was agreed this topic would need to be included.

Mr. Doug Reinhart (Irvine Ranch Water District) commented on the IRP forecast, highlighting the need to expand its forecasting through 2035 (due to the age of the document).

Director Dick touched on the fact that the Laguna Declaration is still in effect and, as such, MET's financial participation in projects must be those that have a regional approach; it is a regional agency's responsibility to address regional needs.

Mr. Peer Swan (Irvine Ranch Water District) commented that he believed there are conflicting beliefs relative to MET's role: whether they are a supplemental water provider, or a primary water provider.

Mr. Paul Jones (Irvine Ranch Water District) stated he believed stabilizing MET's water supply should be the first priority, as an unstable water supply could have a dramatic effect on Orange County's economy.

Mr. Dick Dietmeier (South Coast Water District) highlighted the need to add desalination to MET's proposed plans.

Considerable discussion ensued regarding desalination, as well as the Bay-Delta (and corresponding solutions).

The Board received and filed the information.

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

The Board received and filed the report.

METROPOLITAN (MET) BOARD AND COMMITTEE AGENDA DISCUSSION ITEMS

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

The Board received and filed the information.

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

Mr. Hunt advised that the MET Board would discuss (in closed session) MET's labor negotiations, which include an increase in pension benefits (as well as a series of employee "givebacks"). He advised that due to the confidentiality of the negotiations, many of the terms are not known, however Mr. Deven Upadhyay (MET) would attend MWDOC's

Administration & Finance Committee meeting on September 10, 2009 and shed some light on the issues.

The Board held considerable discussion regarding the proposed pension increase, and the Board generally expressed opposition to such an increase. Director Thomas agreed with the opposition, noting that it would be prudent for the MWDOC MET Directors to encourage other MET Directors to oppose such an increase (due to the financial uncertainties).

Several audience members addressed the Board, expressing concern with increased pension funding (through CalPERS) in this economy. It was noted that this item would be discussed again at the September 9, 2009 Administration & Finance Committee meeting.

OTHER

Director Dick commented on the Workshop meeting time, and suggested a poll be taken to determine whether to hold the meeting later in the morning. President Clark conducted a vote (of those in attendance); it was decided that the meetings be held at 8:00 am (rather than 7:30 am).

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 9:10 a.m.

APPROVED:

Wayne A. Clark, President

Maribeth Goldsby, Board Secretary