

**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 3, 2014

At 8:30 a.m. Vice President Osborne 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. Director Finnegan led the Pledge of Allegiance and Secretary Goldsby called the roll.

MWDOC DIRECTORS

Brett R. Barbre*
Wayne A. Clark
Larry Dick* (absent)
Susan Hinman
Wayne Osborne
Jeffery M. Thomas (arr. at 9:20 am)
Joan Finnegan

MWDOC STAFF

Robert Hunter, General Manager
Karl Seckel, Assistant General Manager
Russ Behrens, Legal Counsel
Maribeth Goldsby, Secretary
Harvey De La Torre, Principal Water Res. Planner
Joe Berg, Water Use Efficiency Prog. Mgr.
Darcy Burke, Director of Public Affairs
Heather Baez, Governmental Affairs Manager
Keith Lyon, Principal Water Res. Analyst
Melissa Baum-Haley, Water Use Eff. Prog. Spec.
Richard Bell, Principal Engineer

*Also MWDOC MET Directors

OTHER MWDOC MET DIRECTORS

Linda Ackerman

OTHERS PRESENT

Brian Ragland
William Kahn
Ken Vecchiarelli
Steve Lamar
Peer Swan
Paul Cook
Paul Weghorst
Larry McKenney
Don Froelich
Jim Leach
Bob Moore
Rick Erkeneff
Richard Gardner
Fred Adjarian
Laer Pearce
Elizabeth Mendelson
Ed Means
Betsy Eglash

City of Huntington Beach
El Toro Water District
Golden State Water Company
Irvine Ranch Water District
Irvine Ranch Water District
Irvine Ranch Water District
Irvine Ranch Water District
Moulton Niguel Water District
Moulton Niguel Water District
Santa Margarita Water District
South Coast Water District
South Coast Water District
Dana Point Resident
Adjarian Consulting Services
Laer Pearce & Associates
San Diego County Water Authority
Means Consulting
Brady & Associates

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.

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING

Vice President Osborne inquired as to whether there were any items distributed to the Board less than 72 hours prior to the meeting.

No items were distributed.

PUBLIC PARTICIPATION/PUBLIC COMMENTS

Vice President Osborne inquired whether any members of the public wished to comment on agenda items.

No comments were received.

PRESENTATION/DISCUSSION/INFORMATION ITEMS**MWD'S LOCAL RESOURCE PROGRAM PROPOSED REFINEMENTS**

Mr. Harvey De La Torre updated the Board regarding potential changes to MET's Local Resource Program (LRP). His presentation included an overview of the purpose and role of the LRP, an overview of the incentives (since 1982) and the need for additional local supplies, as well as MET observations of the current LRP (not at capacity and cost remains a predominant constraint).

Mr. De La Torre highlighted potential improvements to the LRP that are being considered; namely (1) update the incentive amount and payment structure; (2) include recycled water on-site retrofits; (3) include other water resources (seawater desalination, storm water regional benefits); and (4) provide reimbursable services.

Mr. De La Torre concluded his presentation with an overview of the next steps, which include (1) MET continuing to seek input from its member agencies and Board; (2) MET providing information to the Water Planning and Stewardship Committee; and (3) potential Board action in October.

Director Osborne highlighted the fact that the \$250/af incentive was implemented some time ago, noting it may not be applicable to today's costs and incentive amounts (thereby necessitating an increase).

Considerable discussion ensued with specific emphasis on the \$250/af incentive, its history, recycled water on-site retrofit costs, and MET's IRP target (20% by 2020) and the LRP acre-foot goal of 174,000 af.

The Board received and filed the report as presented.

METROPOLITAN'S AND ORANGE COUNTY'S EFFORTS IN RESPONSE TO THE STATE WATER RESOURCE CONTROL BOARD'S EMERGENCY WATER CONSERVATION REGULATIONS

Mr. De La Torre provided information on MET's and Orange County's efforts in response to the State Water Resource Control Board's (SWRCB) emergency water conservation regulations. His presentation included background on MET's actions over the past 25 years (resulting in a 24% reduction in service area's per capita potable demands, cumulative investments in reliable local supplies exceeding \$1 billion, and doubling of surface water storage capacity). Mr. De La Torre also provided information on recent precipitation levels, water use trends for Orange County, and urban water use and SBx7-7 targets.

Water Use Efficiency Programs Manager Joe Berg then highlighted Orange County's conservation activities, including the Turf Removal Program, MWDOC's outreach success, and upcoming events (community events, public drought updates, drought specific trainings, allocation discussions with MET, and water use reporting by retail agencies to the SWRCB).

The Board received and filed the report as presented.

STATUS UPDATE REGARDING THE MET DIRECTOR APPOINTMENT PROCESS

Director Barbre, Chairman of the Ad Hoc Committee regarding the MET Director appointment, advised that the ad hoc committee would be meeting with candidate Larry McKenney on September 4th, after which a report would be made to President Dick, and then to the full Board.

MWD ITEMS CRITICAL TO ORANGE COUNTY

- a. MET's Water Supply Conditions
- b. MET's Finance and Rate Issues
- c. Colorado River Issues
- d. Bay Delta/State Water Project Issues
- e. MET's Ocean Desalination Policy and Potential Participation by MET in the Doheny Desalination Project
- f. Orange County Reliability Projects

General Manager Hunter highlighted a letter from the U.S. EPA which outlined the EPA's position on the BDCP as well as a number of issues that may have a significant impact on the BDCP.

The Board received and filed the report as presented.

OTHER INPUT OR QUESTIONS ON MET ISSUES FROM MEMBER AGENCIES

No new information was presented.

METROPOLITAN (MET) BOARD AND COMMITTEE AGENDA DISCUSSION ITEMS

- a. Summary regarding August MET Board Meeting
- b. Review Items of significance for the Upcoming MET Board and Committee Agendas

The Board received and filed the report as presented.

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 10:15 a.m.

Respectfully submitted,

Maribeth Goldsby, Secretary