

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

January 6, 2016

At 8:30 a.m. President Dick 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. Emerald Bay Service District General Manager Mike Dunbar led the Pledge of Allegiance and Secretary Goldsby called the roll.

MWDOC DIRECTORS

Brett R. Barbre*
Larry Dick*
Joan Finnegan
Susan Hinman
Wayne Osborne
Sat Tamaribuchi
Jeffrey M. Thomas

MWDOC STAFF

Robert Hunter, General Manager
Karl Seckel, Assistant General Manager
Joe Byrne, Legal Counsel
Maribeth Goldsby, Board Secretary
Harvey De La Torre, Associate General Mgr.
Kevin Hostert, Water Resources Analyst
Jonathan Volzke, Public Affairs Manager
Joe Berg, Director of Water Use Efficiency
Melissa Baum-Haley, Sr. Water Resource Analyst

*Also MWDOC MET Directors

OTHER MWDOC MET DIRECTORS

Larry McKenney
Linda Ackerman

OTHERS PRESENT

William Kahn
Mark Monin
Mike Dunbar
Steve LaMar
Doug Reinhart
Peer Swan
Paul Weghorst
Paul Shoenberger
Mike Markus
John Kennedy
Dennis Erdman
Rick Erkeneff
Bill Green
Andy Brunhart
Gary Melton
Kelly Rowe
Liz Mendelson
Richard Eglash

El Toro Water District
El Toro Water District
Emerald Bay Service District
Irvine Ranch Water District
Irvine Ranch Water District
Irvine Ranch Water District
Irvine Ranch Water District
Irvine Ranch Water District
Mesa Water District
Orange County Water District
Orange County Water District
South Coast Water District
South Coast Water District
South Coast Water District
South Coast Water District
South Coast Water District
Yorba Linda Water District
Water Resources Consultant
San Diego County Water Authority
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

President Dick inquired as to whether there were any items distributed to the Board less than 72 hours prior to the meeting with General Manager Hunter responding no items were distributed.

No items were distributed.

PUBLIC PARTICIPATION/PUBLIC COMMENTS

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

No comments were received.

PRESENTATION/DISCUSSION/INFORMATION ITEMS

ORANGE COUNTY'S DROUGHT PERFORMANCE – OCTOBER REPORT

Mr. Harvey De La Torre reported on Orange County's performance under the State Board's mandatory reduction, highlighting that Orange County retail water agencies reported an aggregated water savings of approximately 24% for the month of October 2015 (compared to October 2013 water usage), which exceeded Orange County's conservation target of 22%. Mr. De La Torre also provided information on MET's water storage levels, Orange County's water savings in October and November (along with historical water use information), precipitation levels and forecasts of a possible wet "El Nino" year.

Discussion ensued regarding storage levels in Lake Mead, Diamond Valley Lake, and Lake Powell, allocations (15% from MET and 22% from the State), and the status of surplus water (and how much of that surplus OCWD has taken).

OCWD General Manager Mike Markus fielded questions regarding the groundwater basin, including overdraft amounts, the sea water intrusion barrier, and ways to raise the basin levels.

Mr. Markus noted that OCWD submitted a request to the MWDOC MET Directors asking for them to pursue reinstatement of MET's In Lieu Program. Mr. Hunter advised that a meeting would be held with MET staff regarding this issue, noting that it is important to identify what benefits would be derived by MET if the program were reinstated.

The Board received and filed the report.

MET'S WATER STORAGE STRATEGY FOR 2016

Mr. De La Torre reviewed MET's storage strategy for 2016 with the Board, noting that the strategy is to correct imbalances in MET's current storage portfolio. Mr. De La Torre advised that currently one-third of MET's storage is surface, two-thirds is groundwater, and that MET's goal is to increase surface storage (focusing on the State Water Project storage first). Following a brief discussion regarding the State Water Project and subsequent Table A restrictions, the Board received and filed the report.

METROPOLITAN'S 2015 INTEGRATED RESOURCES PLAN (IRP) – PHASE 2

Mr. De La Torre provided an overview of MET's IRP update, which will go before the MET Board for action in January. He advised that the update involved a year long process of updating regional data on water supplies and demands, revisions to resource development targets through the year 2040, as well as considering potential risks and challenges impacting the region's water supply reliability.

Mr. De La Torre advised that a number of policy issues and questions remain, such as how (and in what manner) MET creates the diversified portfolio (as identified in the IRP), as well as other policy questions, which necessitate the development of Phase 2 of the IRP process. He provided an overview of Phase 2 (the policy process), with specific emphasis on regional and retail water supply reliability, MET's conservation program and approach to the program, local resources development and MET's regional role, storage management goals and operational framework, and MET's approach to transfers and exchanges.

Following discussion regarding transfers, system reliability (Delta levee and potential for breaks), and the future of conservation rebate programs, the Board received and filed the report as presented.

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
- g. East Orange County Feeder No. 2

The Board received and filed the information as presented.

OTHER INPUT OR QUESTIONS ON MET ISSUES FROM MEMBER AGENCIES

ETWD Director William Kahn, asked whether MWDOC received the regulatory engineering report on why the Two Gates project (Bay Delta) was not feasible. Staff noted that it was requested and received (from MET), and would be distributed to those interested.

METROPOLITAN (MET) BOARD AND COMMITTEE AGENDA DISCUSSION ITEMS

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

No new information was presented.

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 9:30 a.m.

Maribeth Goldsby
Board Secretary