

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

July 5, 2017

At 8:30 a.m. 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. MWDOC MET Director Brett Barbre led the Pledge of Allegiance and Recording Secretary Meszaros called the roll.

MWDOC DIRECTORS

Brett R. Barbre*
Larry Dick* (absent)
Joan Finnegan
Wayne Osborne
Megan Yoo Schneider
Sat Tamaribuchi
Jeffery M. Thomas

MWDOC STAFF

Robert Hunter, General Manager
Karl Seckel, Assistant General Manager
Joe Byrne, Legal Counsel
Pat Meszaros, Recording Secretary
Harvey De La Torre, Associate General Mgr.
Melissa Baum-Haley, Sr. Water Resource Analyst
Kevin Hostert, Water Resources Analyst
Charles Busslinger, Principal Engineer
Joe Berg, Director of Water Use Efficiency
Damon Micalizzi, Dir. Of Public Affairs
Jonathan Volzke, Public Affairs Manager
Chris Lingad, Water Resources Analyst
Bryce Roberto, Public Affairs Assistant

*Also MWDOC MET Directors

OTHER MWDOC MET DIRECTORS

Larry McKenney
Linda Ackerman

OTHERS PRESENT

William Kahn
Mark Monin
Jose Vergara
Mike Dunbar
Brian Ragland
Steve LaMar
Doug Reinhart
Peer Swan
Paul Cook
Paul Weghorst
Paul Shoenberger
Mike Markus
John Kennedy
Adam Hutchinson
Jim Leach
Andy Brunhart
Brooke Jones
Al Nederhood
Ed Means
Samantha Waterman
Cathrene Glick

El Toro Water District
El Toro Water District
El Toro Water District
Emerald Bay Service District
City of Huntington Beach
Irvine Ranch Water 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
Orange County Water District
Santa Margarita Water District
South Coast Water District
Yorba Linda Water District
Yorba Linda Water District
Means Consulting
Cadiz, Inc.

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

General Manager Hunter responded that a memo from MET on the San Diego Lawsuit along with a two-page article from the San Diego Tribune and Mr. Arakawa's PowerPoint presentation on the California WaterFix were distributed to the Board this morning and copies made available to the public.

PUBLIC PARTICIPATION/PUBLIC COMMENTS

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

No comments were received.

PRESENTATION/DISCUSSION/INFORMATION ITEMS

INPUT OR QUESTIONS ON MET ISSUES FROM THE MEMBER AGENCIES/MET DIRECTOR REPORTS REGARDING MET COMMITTEE PARTICIPATION

Director Ackerman stated that MET is preparing three white papers on the California WaterFix which will be presented to the Board prior to their vote on the WaterFix in September. She also reported on the formation of a new Local Resources and Conservation Committee to evaluate MET's efforts in local resource development and water conservation going forward.

Director Barbre reported on his activities on MET's Finance & Insurance Committee, noting that MET's bond ratings are high, and that MET will be adopting its Investment Policy soon.

Director McKenney discussed the San Diego litigation and MET's appeals and the good news on the recent litigation. He also reported that MET's IRP Policy Principles are very general. The two things they were seeking were that the door be open to more creative thinking and also that the MET Board consider a full range of factors on LRP Projects.

SERIES OF DISCUSSIONS ON THE CALIFORNIA WATERFIX – PRESENTATION BY METROPOLITAN BAY-DELTA MANAGER STEVE ARAKAWA

Associate General Manager Harvey De La Torre introduced Steve Arakawa and noted that Jeff Kightlinger will be here at next month's Workshop meeting on August 2 to present on the California WaterFix. On August 30, Roger Patterson will be the featured speaker at the Water Policy Dinner and on September 6, Mr. Gary Breaux will present at the Workshop meeting.

Mr. Arakawa presented a California WaterFix Update and included key permits and environmental documents, biological opinions, State Water Resources Control Board hearings, and upcoming Metropolitan Committee and Board meetings. He discussed milestones and key decisions beginning in 2015 when the Bay-Delta Plan took a change of direction to focus on water conveyance and to separate the fisheries' issue. Another major milestone was when the biological opinions were completed and the State could then proceed to act on the EIR/EIS approval later in 2017.

Mr. Arakawa discussed the Delta Stewardship Council (DSC) whose role since 2009 has been to protect the Delta. DSC developed a Delta Plan in 2013 with amendments adopted June 22, 2017. DSC approved language for an updated plan and the amended language concludes that dual conveyance makes the most sense. The biological opinions indicated the plan would not jeopardize fish listed which allowed DWR and SWC to move forward.

Mr. Arakawa then discussed the State Water Resources Control Board's hearings and stated that Southern California can make a major impact in that process by having strong, credible representatives.

Lastly, he discussed the timeline for MET's California WaterFix Board Review. The California WaterFix was discussed at the Special Committee on Bay-Delta Water Planning and Stewardship on July 10, will be presented again on July 25 and August 14, and the last time at the Board Workshop on August 22. On September 12, it will go to MET's Board for action.

The Board received and filed the report.

METROPOLITAN CYCLIC STORAGE AGREEMENT

Associate General Manager Harvey De La Torre updated the Board on MET's Cyclic Storage Agreement noting that 2017 was the wettest year on record resulting in a surplus— MET has 1.28 MAF to store. MET is also working with other partners to make storage deals—Bureau of Reclamation, Central Valley banking partners to modify their storage agreements and to maximize all of its in-region reservoirs, i.e., Diamond Valley Lake.

There was then discussion on the meetings with MET, MWDOC and OCWD to work out the details of the Cyclic Storage Agreement and it was noted that it's a one-time program offered to our member agencies in 2017 and is a cost-effective opportunity to increase local storage.

Mr. Markus stated that OCWD feels it is an attractive program and they are interested in participating. He stated that OCWD is currently taking 155 cfs from OC-28 and they'd like to take from OC-59 but can't due to Quaggas. Mr. Markus said that they have been looking at in-lieu for years as it is the best way to put water in the basin. OCWD would like to extend the program beyond the end of the year and desire to take up to 100,000 af through the Cyclic Storage Agreement. They are waiting for MET's Board approval now. It will go to the OCWD board on July 19 and will have the support of Producers to do as much in-lieu as possible.

There was then discussion that getting the Cyclic Agreement approved is an urgent matter and member agencies would appreciate our expediting the process in any way we can. Mr. Hunter stated that the agreement will be negotiated before our next Board meeting, where it will be considered.

“MAKING CONSERVATION A CALIFORNIA WAY OF LIFE” – LEGISLATIVE UPDATE

Mr. Hunter reported that the good news is that the Brown Administration moved away from the trailer bill language and is now prepared to move the proposed language through the policy committee process. AB 1323 (Weber), AB 1654 and AB 1668 (Friedman) are set to be heard on July 11 along with AB 869 (Rubio) and AB 1000 (Friedman), both indirectly related to *Making Conservation a California Way of Life*. He stated further that staff will report on that hearing's outcome at the PAL Committee meeting. Director Tamaribuchi stated that we should try to be involved in the standard setting process as he is concerned that the State Board is able to declare an emergency situation after only two subnormal months, which is a frequent occurrence.

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
- h. South County Projects

The Board received and filed the information as presented.

METROPOLITAN (MET) BOARD AND COMMITTEE AGENDA DISCUSSION ITEMS

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

No new information was presented; the information was received and filed.

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 10:17 a.m.

Maribeth Goldsby
Board Secretary