At 8:30 a.m. President Barbre 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. Mr. Marc Marcantonio led the Pledge of Allegiance and Secretary Goldsby called the roll.

**MWDOC DIRECTORS**
- Brett R. Barbre*
- Larry Dick*
- Joan Finnegan
- Wayne Osborne (absent)
- Megan Yoo Schneider
- Sat Tamaribuchi
- Jeffery 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.
- Melissa Baum-Haley, Sr. Water Resource Analyst
- Damon Micalizzi, Dir. Of Public Affairs
- Chris Lingad, Water Resources Analyst
- Kevin Hostert, Water Resources Analyst
- Charles Busslinger, Principal Engineer
- Heather Baez, Governmental Affairs Manager
- Joe Berg, Director of Water Use Efficiency

*Also MWDOC MET Directors

**OTHER MWDOC MET DIRECTORS**
- Larry McKenney
- Linda Ackerman

**OTHERS PRESENT**
- Jeff Kightlinger
- Lisa Ohlund
- Mark Monin
- Jose Vergara
- Charley Wilson
- Chuck Gibson
- Dan Ferons
- Doug Reinhart
- Paul Weghorst
- Jim Atkinson
- Paul Shoenberger
- Don Froelich
- John Kennedy
- Dennis Erdman
- Al Nederhood
- Brooke Jones
- Ed Means
- Michael Thomas

Metropolitan Water District of So. Cal.
- East
- El Toro Water District
- El Toro Water District
- Santa Margarita Water District
- Santa Margarita Water District
- Santa Margarita Water District
- Irvine Ranch Water District
- Irvine Ranch Water District
- Mesa Water
- Mesa Water
- Moulton Niguel Water District
- Orange County Water District
- South Coast Water District
- Yorba Linda Water District
- Yorba Linda Water District
- Means Consulting
- 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.

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING
President Barbre 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
President Barbre 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 McKenney highlighted activities involving the MET Water Planning & Stewardship, and Conservation and Local Resources Committees. He also noted that the California WaterFix continues to be a main topic of discussion, that the Finance & Insurance Committee held a series of budget workshops, that the water rates public hearing is scheduled for March 13, 2018, and that MET is in the process of evaluating its conservation program funding. Mr. McKenney advised that MET is currently mapping out a series of seismic retrofitting over the next several years and will begin with the Weymouth Plant.

Director Dick highlighted MET’s California WaterFix activities, the conservation funding, and an update on the Ethics Report, noting that currently Gerald Riss is the Acting Ethics Officer. Mr. Dick also updated the Board on legal issues with San Diego County Water Authority, and financing options/issues for the two-tunnel California WaterFix.

Director Barbre concurred with both reports (above), but stated the most important issue is support for the two-tunnel approach for the California WaterFix and his belief that MET should consider financing the full project.

METROPOLITAN’S PROPOSED BIENNIAL BUDGET AND RATES FOR FISCAL YEARS 2018/19 AND 2019/20; PRESENTATION BY METROPOLITAN STAFF

MET’s Chief Financial Officer, Gary Breaux, updated the Board on the biennial and rates process (and its objectives), including an overview of the overall rate increases since 2011, underlying assumptions, full service costs and charges, revenue and expenditure trends, and the ten-year financial forecast. He advised that the Finance & Insurance Committee would
hold its third (and final) workshop on March 12, with a public hearing on rates on March 13, with anticipated final Board approval in April.

Considerable discussion ensued following the presentation, with specific emphasis on the State Water Contract forecast and costs, the State Water Resources Control Board’s efficiency standards, projected water sales, the Local Resources Program (and potential for stranded assets), financing/bond rates, WIFIA loans/rates, the treatment surcharge, operations & maintenance costs.

It was suggested that a future workshop topic be the turf rebate program.

The Board thanked Mr. Breaux for his presentation and received and filed the report.

**UPDATE ON THE CALIFORNIA WATERFIX**

Associate General Manager Harvey De La Torre highlighted Governor Brown’s announcement of a “staged approach” for the California WaterFix, which would consist of an initial Phase 1 (6,000 cfs project) comprised of one tunnel, one intermediate forebay, two intakes, and one pumping station, which would be followed by Stage 2 (a second tunnel, third intake and second pumping station to yield the full 9,000 cfs). Discussion ensued regarding the staged approach and how it would impact the overall project. Mr. De La Torre noted that the MET Board will consider the staged approach in April. The Board received and filed the report as presented.

**WATER SUPPLY CONDITIONS UPDATE**

It was stated that the Water Supply Report was included in the packet; the Board received and filed the report.

**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 February MET Board Meetings
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 10:04 a.m.

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Maribeth Goldsby
Board Secretary