

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

October 2, 2019

At 8:30 a.m., President Barbre called to order the Regular Meeting of the Municipal Water District of Orange County in the Board Room at the District facilities located in Fountain Valley. Director Joan Finnegan led the Pledge of Allegiance and Secretary Goldsby called the roll.

MWDOC DIRECTORS

Brett R. Barbre*
Larry Dick*
Joan Finnegan
Bob McVicker
Sat Tamaribuchi
Jeffery M. Thomas
Megan Yoo Schneider

STAFF

Robert Hunter, General Manager
Karl Seckel, Assistant General Manager
Joe Byrne, Legal Counsel
Maribeth Goldsby, Board Secretary
Harvey De La Torre, Associate General Manager
Melissa Baum-Haley, Prin. Water Res. Analyst
Kevin Hostert, Water Resources Analyst
Chris Lingad, Water Resources Analyst
Damon Micalizzi, Director of Public Affairs
Joe Berg, Director of Water Use Eff. Programs
Charles Busslinger, Principal Engineer
Sarah Wilson, Public Affairs Specialist

*Also MWDOC MET Directors

OTHER MWDOC MET DIRECTORS

Larry McKenney (absent)
Linda Ackerman (absent)

OTHERS PRESENT

Mark Monin	El Toro Water District
Mike Dunbar	Emerald Bay Service District
Doug Reinhart	Irvine Ranch Water District
Paul Weghorst	Irvine Ranch Water District
Jim Atkinson	Mesa Water
Don Froelich	Moulton Niguel Water District
Kelly Rowe	Orange County Water District
John Kennedy	Orange County Water District
Chuck Gibson	Santa Margarita Water District
Fernando Paludi	Trabuco Canyon Water District
Brooke Jones	Yorba Linda Water District
Ed Means	Means Consulting
Liz Mendelson-Goossens	San Diego County Water Authority

PUBLIC PARTICIPATION/PUBLIC COMMENTS

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

Mr. John Monsen from the National Parks Conservation Association addressed the Board with respect to SB 307 and noting his opposition to the Cadiz Project; Mr. Monsen distributed a letter to the Board regarding a workshop on the hydrology of the Cadiz Project to be held October 10, 2019 at Three Valleys Municipal Water District.

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 presented.

PRESENTATION/DISCUSSION/INFORMATION ITEMS

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

Director Dick highlighted the State Water Project and its importance to Southern California (MET's best investment) as well as the importance of the Delta Conveyance Project. Discussion ensued regarding other projects that would enhance the region's water supply reliability (desalination, the Carson Project, etc.). Director Barbre referenced the coalition put together by MET regarding the Governor's vote of SB 1 and suggested a similar MET coalition be developed to help move the Delta Conveyance Project.

PRESENTATION REGARDING MET'S MID-CYCLE BIENNIAL BUDGET REVIEW

Associate General Manager Harvey De La Torre, reviewed the results of the first year of MET's two-year budget, as well as the outlook for the second year, and he highlighted various financial issues to be addressed in the next biennial budget and rate-setting cycle (which formally begins in February 2020). The information he presented included key budget assumptions, projected rate increases and financial metrics, capital expenditures (and projected expenditures), how to manage expenditures, unrestricted reserves, and issues for the next Biennial Budget (lower water sale projections, review of storage and supply programs, demand management and resource development, and revisions to MET's 10-year forecast).

Considerable discussion ensued regarding the PAYGO fund, bond debt, demand projections (over next 20 years), the importance of the IRP (and messaging the public), and MET's Demand Management Cost Study.

The Board received and filed the report as presented.

WATER SUPPLY AND STORAGE LEVELS

It was noted that the written report was included in the Board packet; the Board received and filed the report.

DELTA CONVEYANCE PROJECT ACTIVITIES UPDATE

Principal Water Resources Analyst Melissa Baum-Haley advised that public negotiations between the State Water Contractors (SWC) and the Department of Water Resources (DWR) began in July and should be completed sometime in the fall.

Discussion ensued regarding the lawsuits (which have all been dismissed) regarding twin-tunnel proposal, the role of the Federal government, and the need to focus on additional storage. Legal Counsel Byrne provided an overview of the negotiation process.

The Board received and filed the staff 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 report as presented.

METROPOLITAN (MET) BOARD AND COMMITTEE AGENDA DISCUSSION ITEMS

- a. Summary regarding September MET Board Meetings
- b. Review items of significance for the upcoming MET Board and Committee Agendas

The information was received and filed.

President Barbre advised that the Public Affairs Department received numerous awards at a recent conference and asked that the Department be honored at the next Board meeting.

President Barbre also announced that prior Director Wayne Osborne had recently passed away and that a memorial service would be held in early November.

ADJOURNMENT

There being no further business, the meeting adjourned at 9:45 a.m., in memory of Wayne Osborne.

Maribeth Goldsby
Board Secretary