

**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 2, 2020

At 8:30 a.m., President Tamaribuchi 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 Brett Barbre led the Pledge of Allegiance and Secretary Goldsby called the roll.

MWDOC DIRECTORS

Brett R. Barbre*
Larry Dick*
Joan Finnegan (absent)
Bob McVicker
Sat Tamaribuchi
Jeffery M. Thomas (absent)
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
Chris Lingad, Water Resources Analyst
Charles Busslinger, Principal Engineer
Tiffany Baca, Public Affairs Manager
Kevin Hostert, Water Resources Analyst

*Also MWDOC MET Directors

OTHER MWDOC MET DIRECTORS

Larry McKenney
Linda Ackerman

OTHERS PRESENT

Jose Vergara
Kay Havens
Mike Dunbar
Steve LaMar
Doug Reinhart
Peer Swan
Don Froelich
Mike Markus
John Kennedy
Chuck Gibson
Dan Ferons
Rick Erkeneff
Bill Green
Ed Means
Patty Qulizapa
Kristy Khachigian
Megan Couch
Nicholas Dibs

El Toro Water District
El Toro Water District
Emerald Bay Service District
Irvine Ranch Water District
Irvine Ranch Water District
Irvine Ranch Water District
Moulton Niguel Water District
Orange County Water District
Orange County Water District
Santa Margarita Water District
Santa Margarita Water District
South Coast Water District
South Coast Water District
Means Consulting
Metropolitan Water District of So. Calif.
Kristy Khachigian Consulting
San Diego County Water Authority
Teacher, former

PUBLIC PARTICIPATION/PUBLIC COMMENTS

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

Mr. Nicholas Dibs addressed the Board and encouraged the Board to reinstate funding participation in the OC Department of Education Science Fair (held in March).

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 Tamaribuchi 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 McKenney highlighted that San Diego's "Pure Water" Local Resources Program Project was approved by the MET Board.

Director Ackerman commented on the San Diego County Water Authority (SDCWA)/MET litigation settlement offer, noting that MET Legal Counsel, Patty Quilizapa would be providing an update on this subject later on the agenda.

PRESENTATION BY MET LEGAL COUNSEL, PATTY QUILIZAPA REGARDING THE SAN DIEGO COUNTY WATER AUTHORITY/MET LAWSUIT AND SETTLEMENT OFFERS

MET Legal Counsel, Patty Quilizapa advised that the MET Board authorized a statutory Offer to Compromise (Offer) to SDCWA under California Code of Civil Procedure Section 998 to resolve all cases. She then provided an overview of the key points of the Offer (water stewardship rate payment, exchange agreements for both fixed price term and delivery fees, and attorney fees/costs). Ms. Quilizapa advised that SDCWA did not accept the Offer.

Considerable discussion ensued regarding the Offer, the amount of legal fees paid to date by both agencies, whether any counter-offers will be made, preferential rights, SDCWA's desire to develop their own conveyance system on the Colorado River, and SDCWA's openly divisive

comments towards MET. IRWD Director Peer Swan suggested MET develop a side-by-side comparison of the offers from each agency.

Following discussion, the Board thanked Ms. Quilizapa and received and filed the report as presented.

DISCUSSION SERIES ON METROPOLITAN'S INTEGRATED RESOURCES PLAN: PART 2 – EXPECTED KEY POLICY ISSUES

Associate General Manager Harvey De La Torre provided an overview/preview of the expected key policy issues that the 2020 IRP update will reveal and its potential effects on MET's role. Some of the potential key policy issues include the resource mix, water demand levels, financial obligations (paying for investments to ensure reliability), and regional cooperation (climate change, Bay-Delta, Colorado River, local resources/conservation, etc.).

The Board received and filed the report as presented.

METROPOLITAN'S PROPOSED BIENNIAL BUDGET AND RATES PROCESS FOR FISCAL YEARS 2020/21 AND 2021/22

Mr. De La Torre advised that every two years MET embarks on its biennial budget along with the associated rates and charges, including a ten-year forecast. He advised that MET's presentation from MET's December Finance & Insurance Committee was included in the packet, and that MET's Chief Financial Officer would attend MWDOC's March 4, 2020 Workshop Board meeting to review the proposed draft budgets. The Board received and filed the report.

WATER SUPPLY CONDITION UPDATE

MWDOC Water Resources Analyst, Kevin Hostert, provided a presentation on the U.S. drought monitor, climate outlook, local precipitation statistics, northern California Accumulated precipitation, storage level data throughout the state, the State Water Project Table A allocations (currently at 10%), and MET estimated storage levels.

Following the presentation, the Board received and filed the report as presented.

METROPOLITAN 2020 SHUTDOWN STATUS

Assistant General Manager Karl Seckel advised that the Diemer Plant shutdown is scheduled for January 21-27, 2020, and the West Orange County Feeder shutdown is scheduled for February 9-16, 2020. He advised that although MET originally planned a second Diemer shutdown (for March 2020), it has been determined that the second shutdown is not needed.

The Board received and filed the report as presented.

DELTA CONVEYANCE PROJECT ACTIVITIES UPDATE

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. Summaries regarding the November and December MET Board Meetings
- b. Review items of significance for the upcoming MET Board and Committee Agendas

Mr. Dan Ferons (SMWD General Manager) commented on the Water Planning & Stewardship Committee's item regarding the Paradox Valley Unit and the Colorado River Salinity Control Program and encouraged the MET Directors to highlight the importance of moving this program along.

The information was received and filed.

ADJOURNMENT

There being no further business, the meeting adjourned at 10:12 a.m.

Maribeth Goldsby
Board Secretary