

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

August 5, 2020

At 8:30 a.m., President Tamaribuchi called to order the Regular Meeting of the Municipal Water District of Orange County via the Zoom Webinar application (pursuant to the Governor's Executive Order due to the spread of the COVID-19 virus, the meeting was conducted via Zoom). Secretary Goldsby called the roll.

MWDOC DIRECTORS

Vacant
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
Chris Lingad, Associate Engineer
Melissa Baum-Haley, Prin. Water Resource Analyst
Damon Micalizzi, Director of Public Affairs
Kevin Hostert, Water Resources Analyst
Charles Busslinger, Principal Engineer
Heather Baez, Government Affairs Manager
Alex Heide, Water Resources Analyst

*Also MWDOC MET Director

OTHER MWDOC MET DIRECTORS

Larry McKenney
Linda Ackerman

OTHERS PRESENT

Adan Ortega
Dick Ackerman
Demetri Polyzos
Brandon Goshi
Brad Coffey
Tom Philp
Doug Davert
Kathryn Freshley
Kay Havens
Mark Monin
Jose Vergara
Dennis Cafferty
Doug Reinhart
Peer Swan
Paul Weghorst
Jim Atkinson
Paul Shoenberger
Don Froelich
Laura Rocha
John Kennedy

City of Fullerton MET Director
Ackerman Consulting
Metropolitan Water District of Southern Calif.
Metropolitan Water District of Southern Calif.
Metropolitan Water District of Southern Calif.
Metropolitan Water District of Southern Calif.
East Orange County Water District
El Toro Water District
El Toro Water District
El Toro Water District
El Toro Water District
El Toro Water District
Irvine Ranch Water District
Irvine Ranch Water District
Irvine Ranch Water District
Mesa Water
Mesa Water
Moulton Niguel Water District
Moulton Niguel Water District
Orange County Water District

Sandra Jacobs	Santa Margarita Water District
Dan Ferons	Santa Margarita Water District
Jim Leach	Santa Margarita Water District
Greg Mills	Serrano Water District
Dennis Erdman	South Coast Water District
Bill Green	South Coast Water District
Fernando Paludi	Trabuco Canyon Water District
Wayne Miller	Yorba Linda Water District
Al Nederhood	Yorba Linda Water District
Ed Means	Means Consulting
Megan Couch	San Diego County Water Authority
Liz Mendelsohn-Goossens	San Diego County Water Authority
Kristy Khachigian	Kristy Khachigian Consulting

PUBLIC PARTICIPATION/PUBLIC COMMENTS

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

No public comments were received.

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 distributed to the Board less than 72 hours prior to the meeting.

PRESENTATION/DISCUSSION/INFORMATION ITEMS

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

Director McKenney highlighted the MET Board’s robust discussion regarding the Local Resources Program (LRP) and process, including the two San Diego projects approved, the MET General Manager recruitment process, the discussion regarding the legislation involving Central Basin Municipal Water District, the resolution of the MET employee complaints, and the comments received from the Sierra Club (against Cadiz, desalination, and the Delta Conveyance Project).

Director Ackerman noted the lack of positive speakers supporting the Delta Conveyance Project, noting it appears that those with negative comments speak, and it would be helpful for those who support the project to speak at the MET meetings. She also highlighted that the Water Commissioner from Mexico spoke regarding the Colorado River activities (very

positive). Director Ackerman concurred with General Manager Kightlinger's comments that MET is much stronger and further along than they were 15 years ago.

Director Dick highlighted the increased budget for cyber and physical security, the building remodel (MET is currently at 5% occupancy), and the LRP program and projects that were approved (emphasizing MET's financial commitment). Director Dick thanked Fullerton MET Director Adan Ortega for attending the meeting.

Director Ortega highlighted the MET General Manager's recruitment process, the IRP process, and reported that in September, the MET Board would be provided information regarding the MET Budget and the financial impacts of COVID-19.

Considerable discussion ensued with emphasis on the General Manager recruitment process, the IRP (long range planning or decision making tool), MET's diverse water portfolio, MET's role (providing water and a diverse supply to include local projects such as the Carson Recycling Project), the need to publicly speak in favor of projects such as the Delta Conveyance Project, and the need for accurate water sales projections (financial stability).

METROPOLITAN'S 2020 INTEGRATED RESOURCES PLAN (IRP) DISCUSSION SERIES – PART 7

Principal Water Resources Analyst, Dr. Melissa Baum-Haley, advised that MET staff Brad Coffey, Brandon Goshi, and Demetri Polyzos were in attendance and would be providing an update on the IRP process and the July 28 IRP Special Committee, where the focus was on the establishment of drivers of change, and the initial construction of framework scenarios.

Mr. Demetri Polyzos highlighted discussion from the IRP Special Committee, which included a single scenario v. multiple scenario approach, an analysis from the 2015 IRP update (where a "gap" analysis was identified under a single scenario approach), along with population projections for 2020, and how the 2020 IRP increases MET's "robustness" from the 2015 update (by creating framework scenarios to provide a wider view of the future, including conducting a Gap analysis, and identifying resource portfolios that cover such Gap analyses, guided decision making under a more comprehensive adaptive management strategy using information gleaned from the scenarios, and identifying that a single scenario approach limits awareness of potential risks and needs). He noted that scenario planning allows the IRP to continue MET's strategy for navigating the challenges facing the region's water future, and the IRP provides the vision for adaptively managing through change that is inevitably coming.

Mr. Polyzos then highlighted the qualitative and quantitative assessment of drivers, and he provided an overview of how the retail M&I demand forecasts evolved, the Qualitative-Quantitative Assessment objectives, the concept of connecting the drivers to the analysis (supply-demand links), and the Qualitative-Quantitative Assessment process. Mr. Polyzos concluded his presentation with a synopsis of examples, namely, demographic changes, climate change, and legislative and regulatory changes.

Considerable discussion ensued, with specific emphasis on retail M&I demand, the need to identify scenarios and foresee issues, climate change scenarios, the State Water Project and potential for allocation changes, Local Resources Program (LRP) projects, existing facilities in the Delta, base-loaded v. as-needed supplies, how indoor v. outdoor water usage could affect projections (and the need to identify the driver of water use), effects of long-term reduction in imported water deliveries, and the effects of the water use efficiency efforts (long-term).

The Board received and filed the report.

METROPOLITAN'S DEMAND MANAGEMENT PROGRAM FINANCIAL AND POLICY ISSUES

Director Larry McKenney provided an update/information regarding MET's Demand Management Program financial and policy issues, highlighting the reasons surrounding the MWDOC MET delegation's recent position on the LRP program (although MWDOC supports the LRP program, the financial long-term effects need to be evaluated). He suggested that MET's rate structure should be evaluated/analyzed/adopted prior to approving long-term programs.

Mr. McKenney provided an overview of the MET Board's discussion on the LRP program, long-term financial binding of MET, how programs will affect future budgets, uncertainties regarding future demand management funds, the rate structure, and possible changes to the LRP program.

MET Directors Ortega, Dick, and Ackerman weighed in on the importance of looking at the big picture (\$5 million per year) on these types of programs, and long-term financial effects.

Considerable discussion ensued regarding the financial impacts to MET, the LRP program (and uncertainties), and how the local retail agencies can assist the MET delegation.

The Board received and filed the report.

INFORMATION ITEMS

MWDOC MET DIRECTOR APPOINTMENT – REPORT FROM MET DIRECTOR SELECTION COMMITTEE

Director Dick, Chair of the MWDOC MET Director Selection Committee, reported that although it was a difficult decision, following a review of two very qualified candidates interested in the MET Director position, recently vacated by Director Barbre, the Committee is recommending the Board appoint President Tamaribuchi as MET Director. It was noted this item would be presented to the Board in August.

President Tamaribuchi thanked Directors Dick and Finnegan for their efforts and service on the Committee.

The Board received and filed the report.

DELTA CONVEYANCE ACTIVITIES

The Board received and filed the report that was included in the Board packet.

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 the July MET Board Meeting
- b. Review items of significance for the upcoming MET Board and Committee Agendas

The report was received and filed.

ADJOURNMENT

There being no further business, the meeting adjourned at 10:54 a.m.

Maribeth Goldsby
Board Secretary