

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

June 3, 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

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
Chris Lingad, Associate Engineer
Melissa Baum-Haley, Prin. Water Resource Analyst
Damon Micalizzi, Director of Public Affairs
Kevin Hostert, Water Resources Analyst
Joe Berg, Dir. of Water Use Efficiency
Charles Busslinger, Principal Engineer
Heather Baez, Government Affairs Manager

*Also MWDOC MET Director

OTHER MWDOC MET DIRECTORS

Larry McKenney
Linda Ackerman

OTHERS PRESENT

Demetri Polyzos
Brad Coffey
Brandon Goshi
Doug Davert
Lisa Ohlund
Jose Vergara
Kay Havens
Kathryn Freshley
Mark Monin
Dennis Cafferty
Doug Reinhart
Steve LaMar
Peer Swan
Paul Weghorst
Jim Atkinson
Paul Shoenberger
Don Froelich

Metropolitan Water District of Southern Calif.
Metropolitan Water District of Southern Calif.
Metropolitan Water District of Southern Calif.
East Orange County Water District
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
Irvine Ranch Water District
Mesa Water
Mesa Water
Moulton Niguel Water District

Laura Rocha	Moulton Niguel Water District
Kelly Rowe	Orange County Water District
Mike Markus	Orange County Water District
John Kennedy	Orange County Water District
Adam Hutchinson	Orange County Water District
Saundra Jacobs	Santa Margarita Water District
Jim Leach	Santa Margarita Water District
Jerry Vilander	Serrano Water District
Bill Green	South Coast Water District
Fernando Paludi	Trabuco Canyon Water District
Brooke Jones	Yorba Linda Water District
Al Nederhood	Yorba Linda Water District
Ed Means	Means Consulting
Skylar Stephens	San Diego County Water Authority
Kristy Khachigian	Kristy Khachigian Consulting
Rupert Barnett	
Dennis Azevedo	

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.

General Manager Hunter advised that a letter from IRWD outlining their policy position on the IRP, and a letter from EOCWD regarding the advance pump purchase for the OC-70 Pump Station, were distributed to the Board and made available to the public.

ACTION ITEM

MWDOC BOARD AUTHORIZATION OF ADVANCE PUMP PURCHASE BY MWDOC FOR THE EOCWD OC-70 FLOW CONTROL FACILITY AS PART OF THE NEGOTIATIONS BETWEEN MET, MWDOC AND EOCWD

Assistant General Manager, Karl Seckel provided background information regarding the need for purchasing an additional pump for the OC-70 Flow Control Facility (reliability). He advised

that although the original request was for MWDOC to advance the purchase of the pump to accelerate improving the reliability of the facility, and incorporate a request for reimbursement from MET, EOCWD has subsequently stated that they would be purchasing the pump. He also provided an overview of the current negotiations with EOCWD, MET and MWDOC for transferring ownership of the facility to MET, noting progress has been made. Mr. Seckel advised that as a result of EOCWD's statement that they would pay for the pump, no Board action was necessary at this time.

Discussion ensued regarding the negotiations, with EOCWD Director Davert indicating that EOCWD is not contemplating any litigation at this time, and that discussions with MWDOC staff have been cooperative. He thanked MWDOC for their efforts thus far.

EOCWD General Manager Lisa Ohlund thanked the MWDOC Board and staff for their assistance on this matter. She highlighted the metering error issues, noting that the errors adversely affect EOCWD's water loss compliance and WUE requirements. Ms. Ohlund referenced MWDOC's write up in that it states a resolution on the metering issue is anticipated during the 2021-22 timeframe; she encouraged MWDOC and its MET Directors to push for a resolution sooner. Ms. Ohlund then thanked Director Barbre and YLWD for loaning EOCWD an interim pump.

Discussion then ensued regarding metering, WUE/Water Loss rules, and SB 606 (which would provide a new water conservation framework).

Following an inquiry by Director McKenney, Mr. Brad Coffee (MET) advised he would further research metering issues within MET's service area. Karl Seckel opined that MET's metering requirements are rigorous and in this instance the problem appears to be an issue inherited by MET from the purchase of the Allen McColloch Pipeline and not anything MET did.

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 provision in the recently adopted budget (a review of expenditures and expenditure forecasts), noting that Finance & Insurance Committee asked staff to provide information on 10 year rate projections, a further explanation of the shift in projections for untreated to treated water rates, and MET's process for handling position vacancies and hiring. He also provided an update on Colorado River activities, including the Colorado River report which indicates a new well is operating at Paradox Valley as part of the salt reduction program. Director McKenney then highlighted that the Organization, Personnel & Technology Committee activities (General Manager recruitment process), and the IRP discussions/status (continuing, although somewhat delayed).

Director Ackerman commented that she believed the Paradox Valley well currently operating is the original well (not a new well), which is being operated at a slower flow rate, and that MET continues to monitor for seismic activity, and is reviewing various alternatives. She then advised that there as a leak in the Santa Ana Valley Pipeline (in Riverside). She also referenced the IRP outreach effort which had very good attendance.

Director Dick highlighted the MET Board is considering an additional \$4 million dollars in expenditures (security for MET facilities, new software, and a real property app.)

Mr. Brad Coffee advised that although the Paradox Valley well was operating at 2/3rds capacity, it has since been shut down. He provided background information relative to the shutdown, as well as information regarding the IRP outreach efforts.

METROPOLITAN'S 2020 INTEGRATED RESOURCES PLAN (IRP) DISCUSSION SERIES PART 6 – DRIVERS OF CHANGE

Principal Water Resources Analyst, Melissa Baum-Haley, presented information regarding MET's IRP (Drivers of Change). Dr. Haley's presentation included an overview of the 2020 IRP schedule and process, of which the first step in the process is to identify drivers of change and establish criteria for the drivers of change (impactful issues to supply and demand and institutional sustainability and integrity that are largely out of MET's control). She also provided an overview of the technical and stakeholder workshops, and examples of drivers of change which include climate change, economic impacts, legislative/regulator challenges, demographic changes, technological advances, groundwater issues, and aging infrastructure. Ms. Haley concluded her presentation asking for input from the audience.

Considerable discussion ensued following the presentation, with Paul Weghorst (IRWD) outlining IRWD's thoughts as outlined in the letter/policy statement they submitted to the Board and the importance of developing new projects that provide supplies when needed as opposed to base loaded supplies. Discussion was also held regarding the examples of drivers of change, the importance of evaluating changing markets and needs (demands), the status of the Local Resources Program, water use efficiency impacts, supply reliability (each region, e.g. South County), impacts to rates, the importance of evaluating costs for all scenarios, and the importance of long-term planning and scenario planning.

The Board received and filed the presentations as presented.

DELTA CONVEYANCE PROJECT ACTIVITIES UPDATE

Associate General Manager Harvey De La Torre updated the Board on Delta Conveyance activities, noting that activities have slowed as a result of the on-going litigation in a number of areas.

Legal Counsel Joe Byrne provided a general overview of the Delta Conveyance litigation (challenging the biological opinions and the state Incidental Take Permit). Discussion ensued regarding litigation costs, potential length of time for lawsuits, and impacts to the Delta. Staff was asked to arrange for a presentation on these issues at the next Workshop Board meeting.

The Board received and filed the staff report.

WATER SUPPLY CONDITIONS UPDATE

Mr. De La Torre advised that the State Water Project Table "A" allocation was increased to 20%. 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 the May 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 10:11 a.m.

Maribeth Goldsby
Board Secretary