

**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 4, 2023

At 8:30 a.m., President Yoo Schneider called to order the Workshop Meeting of the Municipal Water District of Orange County via the Zoom Webinar application (due to the current state of emergency related to the spread of COVID-19 and pursuant to Government Code Section 54953(e)). Director Seckel led the Pledge of Allegiance and Secretary Goldsby called the roll.

MWDOC DIRECTORS

Al Nederhood
Larry Dick*
Karl W. Seckel
Bob McVicker
Randall Crane
Jeffery M. Thomas
Megan Yoo Schneider

STAFF

Robert Hunter, General Manager
Harvey De La Torre, Asst. Gen. Mgr.
Joe Byrne, Legal Counsel
Maribeth Goldsby, Board Secretary
Melissa Baum-Haley, Prin. Water Resource Analyst
Alex Heide, Water Resources Analyst
Charles Busslinger, Dir. of Engineering/Dist. Eng.
Kevin Hostert, Water Resources Analyst
Damon Micalizzi, Director of Public Affairs
Heather Baez, Governmental Affairs Manager
Vicki Osborn, Director of Emergency Management
Cathy Harris, Director of HR & Administration

*Also MWDOC MET Directors

OTHER MWDOC MET DIRECTORS

Linda Ackerman
Dennis Erdman
Sat Tamaribuchi

OTHERS PRESENT

Sara Tucker (absent)
Garrett Durst
Syrus Devers
Dick Ackerman
Ed Means
Paul Jones
Dave Youngblood
Kathryn Freshley
Kay Havens
Mike Gaskins
Mark Monin
Jose Vergara
Dennis Cafferty
Mike Dunbar
Ken Vecchiarelli
Steve LaMar
Doug Reinhart

NRR
NRR
Best, Best & Krieger
Ackerman Consulting
Means Consulting
Dopudja & Wells Consulting
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
El Toro Water District
El Toro Water District
Emerald Bay Service District
Golden State Water Company
Irvine Ranch Water District
Irvine Ranch Water District

Peer Swan	Irvine Ranch Water District
Paul Cook	Irvine Ranch Water District
Paul Weghorst	Irvine Ranch Water District
Frank Prewoznik	Irvine Ranch Water District
Christine Compton	Irvine Ranch Water District
Michael Van Dyke	Irvine Ranch Water District
Jim Atkinson	Mesa Water
Paul Shoenberger	Mesa Water
Stacy Taylor	Mesa Water
Dick Fiore	Moulton Niguel Water District
Sherry Wanninger	Moulton Niguel Water District
Laura Rocha	Moulton Niguel Water District
Cathy Green	Orange County Water District
Kelly Rowe	Orange County Water District
Bruce Whitaker	Orange County Water District
Mike Markus	Orange County Water District
John Kennedy	Orange County Water District
Alicia Dunkin	Orange County Water District
Laura Freese	Santa Margarita Water District
Chuck Gibson	Santa Margarita Water District
Sandra Jacobs	Santa Margarita Water District
Betty Olson	Santa Margarita Water District
Frank Ury	Santa Margarita Water District
Dan Ferons	Santa Margarita Water District
Jim Leach	Santa Margarita Water District
Chip Monaco	Santa Margarita Water District
Greg Mills	Serrano Water District
Brad Reese	Serrano Water District
Rick Shintaku	South Coast Water District
Fernando Paludi	Trabuco Canyon Water District
Brett R. Barbre	Yorba Linda Water District
Wayne Miller	Yorba Linda Water District
Lisa Ohlund	Ohlund Management & Technical Services
Linda Lo-Hill	Las Virgenes Municipal Water District
Liz Mendelson-Goossens	San Diego County Water Authority
Kristy Khachigian	KK Consulting
Doug Obegi	NRDC
Brooke Jones	
Richard Bell	

PUBLIC PARTICIPATION/PUBLIC COMMENTS

President Yoo Schneider 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 Yoo Schneider inquired as to whether there were any items distributed to the Board less than 72 hours prior to the meeting.

No items were distributed less than 72 hours prior to meeting.

PRESENTATION / DISCUSSION ITEMS

PRESENTATION BY MWDOC STAFF REGARDING OUTLOOK OF UPCOMING MET ISSUES AND ACTIVITIES FOR 2023

Dr. Melissa Baum-Haley (MWDOC Principal Water Resources Analyst) provided an overview of key Metropolitan issues and activities anticipated for 2023. Her presentation included information on the water supply outlook and considerations (for both State Water Project and Colorado River), water supply goals and possible implementation of drought water supply allocations (via MET's Water Supply Allocation Plan, WSAP), MET's review of strengthening its Business Model (to manage rate pressure on member agencies, programmatic costs, organizational efficiencies, efforts to secure external funding, and projects with board and multi-purpose benefits); upcoming Board engagement activities (including a visionary retreat and new committee structure), and various upcoming activities involving action by the MET Board.

Considerable discussion ensued following the presentation, with emphasis on MET's proposed strengthened Business Model and how this may overlap with the Integrated Resources Plan (IRP) Needs Assessment goals/forecasts; the need for commencing the IRP implementation Plan (and ways to ensure local projects come to completion); the February visioning retreat (and the focus of Board expectations and how to achieve what they need); the long-term Financial Plan and the need to fully evaluate the financial impacts of projects/activities identified at the visioning retreat; the importance of improving California's position with respect to Colorado River activities; and Chairman Ortega's recent changes to the MET Committee structure. The audience members also highlighted the need for MET to develop a short list of focus areas or policy principles, including the importance of storage; the need to develop a MET Committee on water quality; and the significance of elevating the Bay-Delta activities among MET's priorities. It was stated that it would be helpful for the MWDOC Board to develop a plan to assist the MET Directors in achieving OC's goals at MET.

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

OCWD & MWDOC AD HOC COMMITTEES ON GRAND JURY REPORT – REVISED DEAL POINTS FROM OCWD

Assistant General Manager Harvey De La Torre outlined the MWDOC and OCWD Ad Hoc Committees discussions regarding the Grand Jury Report, advising that the committees have been evaluating and developing the Deal Points as an alternative approach to consolidation. He then reviewed the Deal Points with the Board and advised that the OCWD Board will consider taking action to approve the proposed Deal Points (later in the day). Mr. De La Torre advised that President Yoo Schneider submitted a letter to OCWD asking them to post-poner action until January 18, 2023, as staff will be meeting with the North County agencies on January 12th to discuss the Deal Points.

The Board discussed the content of each Deal Point and the complexity of the issues outlined (proposed legislation, etc.), MWDOC's policy regarding MET Director appointments, as well as ways the Cities of Anaheim, Santa Ana, and Fullerton could assist OCWD at MET (as they are groundwater producers and MET member agencies). Several Board members expressed concern with both the Deal Points and Grand Jury report, noting that a more collaborative (less threatening) approach to resolving issues would be prudent and more effective.

Audience members then commented on the issues and Deal Points, with many expressing concern with the Deal Points, noting they appeared to be one-sided (to the benefit of OCWD). They encouraged the MWDOC Board not to accept them as written, to take more time and to develop a more collaborative/less threatening approach to settling any issues between the two agencies (similar to MWDOC's Settlement Agreement that came about as a result of negotiations with the South County agencies).

President Yoo Schneider summed up the discussions by asking the Ad Hoc Committee to extend the time frame for each Board to approve any Deal Points; and that the Deal Points, as well as other ways to improve the relationship (that do not include the Deal Points), be developed in a more collaborative (less one-sided) manner. A number of other Board members expressed a lack of support for approving the Deal Points. It was noted that the Ad Hoc Committee would report back to the Board at an upcoming meeting.

LEGISLATIVE ACTIVITIES

a. Federal Legislative Report (NRR)

Mr. Garrett Durst of NRR, provided an overview of NRR's written report in the packet, highlighting the current election process for Speaker of the House activities, which remains ongoing and contentious, and the Salton Sea Improvements Act.

The Board received and filed the report.

b. State Legislative Report

Mr. Syrus Devers, of BBK, reviewed his report, highlighting the Assembly appointments of its Chairs, Vice Chairs and members to key policy committees, and outreach plans to new Chiefs of Staff and legislative aides.

Following discussion, the Board received and filed the report.

(Director Nederhood left the meeting at 10:40 a.m.)

c. Legal and Regulatory Report (Ackerman)

Mr. Dick Ackerman referenced his report, highlighting a recent article regarding water storage (and the need for more storage).

The Board received and filed the report.

- d. MWDOC Legislative Matrix**
- e. Metropolitan Legislative Matrix**

The Board received and filed the reports.

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

Director Erdman highlighted MET’s Engineering & Operations Committee activities, noting that \$177 million worth of projects will be on the January Board agenda.

Director Dick commented on Chair Ortega’s conscientious efforts in moving forward, noting he is in the process of soliciting input for committee placement, and recommended changes in how Board members discuss and deliberate on Committee items.

Director Ackerman highlighted the recent approval of the Dam Safety Support (\$2.5 million over five years), and that due to the increase in natural gas, the pump flow was reduced at Gene Camp resulting in a cost savings.

ACTION ITEMS

APPROVE CONTINUATION OF REMOTE MEETINGS PURSUANT TO AB 361 AND MAKE REQUIRED FINDINGS

President Yoo Schneider advised that the proposal to continue remote meetings was before the Board for consideration.

Upon MOTION by Director McVicker, seconded by Director Dick, and carried (6-0), the Board voted to continue virtual meetings pursuant to AB 361 for an additional 30 days based on the findings that (1) it has reconsidered the circumstances of the state of emergency for COVID-19, and (2) state and local officials continue to impose or recommend measures to promote social distancing, by the following roll call vote:

- AYES: Directors Dick, McVicker, Seckel, Crane, Thomas & Yoo Schneider
- NOES: None
- ABSENT: Director Nederhood
- ABSTAIN: None

AUTHORIZE THE GENERAL MANAGER TO SUBMIT A LETTER ASKING FOR METROPOLITAN PARTNERSHIP IN SOUTH COAST WATER DISTRICT'S DOHENY DESALINATION PROJECT

Assistant General Manager Harvey De La Torre reviewed the contents of the proposed letter regarding a potential MET partnership in the later stages of an expanded SCWD Doheny Desalination Project. He advised that the letter would also include a request to engage in discussions regarding a potential policy change for water exchanges within its service area (as mentioned by SMWD earlier in the meeting). SMWD General Manager Dan Ferons asked that such a policy change not be exclusive to this project but be open to other projects and programs. Moreover, Mr. Ferons asked that MWDOC develop a plan and approach for introducing this policy item at the upcoming MET visioning meeting; and he would be willing to work with MWDOC on such a plan.

Upon MOTION by Director Seckel, seconded by Director Thomas, and carried (6-0), the Board authorized the General Manager to send a letter to Metropolitan Water District seeking their interest in a partnership with South Coast Water District on a future regional expansion phase of the Doheny Ocean Desalination Project and to facilitate supply "exchanges" with other agencies in the Metropolitan service area interested in participation in the project; as well as asking MET to engage in discussions regarding potential Supply Program exchanges. Said action was taken by the following roll call vote:

AYES:	Directors Dick, McVicker, Seckel, Crane, Thomas & Yoo Schneider
NOES:	None
ABSENT:	Director Nederhood
ABSTAIN:	None

President Yoo Schneider asked staff to keep the member agencies apprised of these discussions.

INFORMATION ITEMS

MWD ITEMS CRITICAL TO ORANGE COUNTY

- a. MET Finance and Rate Issues
- b. MET Integrated Resources Plan Update
- c. MET Water Supply Conditions Update
- d. Water Quality Update
- e. Colorado River Issues
- f. Delta Conveyance Activities and State Water Project Issues

The Board received and filed the report as presented.

METROPOLITAN (MET) BOARD AND COMMITTEE AGENDA DISCUSSION ITEMS

- a. Summary reports regarding the December MET Board Meetings
- b. MET 4-Month Outlook on Upcoming Issues

- c. 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 in memory of Kathleen Anne Gibson at 10:54 a.m.

Maribeth Goldsby
Board Secretary