

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

March 6, 2024

At 8:30 a.m., President McVicker called to order the Workshop Meeting of the Municipal Water District of Orange County in Conference Room 101 at the District facilities located in Fountain Valley, as well as including attendance via the Zoom Webinar application. Director Erdman 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

Harvey De La Torre, General Manager
Katrina Wraight, Legal Counsel
Maribeth Goldsby, District Secretary
Melissa Baum-Haley, Dir. of MET Issues/Policy
Alex Heide, Sr. Water Resources Analyst
Heather Baez, Director of Governmental Affairs
Sarina Sriboonlue, Principal Engineer
Kevin Hostert, Sr. Water Resource Analyst
Damon Micalizzi, Director of Public Affairs
Charles Busslinger, Dir. of Engineering/Dist. Eng.
Joe Berg, Director of Water Use Efficiency

*Also MWDOC-MET Directors

OTHER MWDOC-MET DIRECTORS

Linda Ackerman
Dennis Erdman

OTHERS PRESENT

Katano Kasaine
Adam Benson
Arnout Van den Berg
Sara Tucker (absent)
Garrett Durst (absent)
Syrus Devers
Dick Ackerman
Peter Whittingham
Paul Jones
Dave Youngblood
Fred Adjarian
Kathryn Freshley
Mike Gaskins
Kay Havens
Mark Monin
Dennis Cafferty
Sherri Seitz
Vu Chu

Metropolitan Water District of So. Calif.
Metropolitan Water District of So. Calif.
Metropolitan Water District of So. Calif.
NRR
NRR
Syrus Devers Advocacy
Ackerman Consulting
Whittingham Public Affairs Advisors
Dopudja & Wells Consulting
East Orange County Water District
El Toro Water District
El Toro Water District
El Toro Water District
El Toro Water District
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El Toro Water District
El Toro Water District

Doug Reinhart	Irvine Ranch Water District
Peer Swan	Irvine Ranch Water District
Paul Weghorst	Irvine Ranch Water District
Christine Compton	Irvine Ranch Water District
Jim Atkinson	Mesa Water
Stacy Taylor	Mesa Water
Dick Fiore	Moulton Niguel Water District
Don Froelich	Moulton Niguel Water District
Sherry Wanninger	Moulton Niguel Water District
Johnathan Cruz	Moulton Niguel Water District
John Kennedy	Orange County Water District
Chris Olsen	Orange County Water District
Alicia Dunkin	Orange County Water District
Sandra Jacobs	Santa Margarita Water District
Don Bunts	Santa Margarita Water District
Erica Castillo	Santa Margarita Water District
Chip Monaco	Santa Margarita Water District
Paul Pender	Santa Margarita Water District
Greg Mills	Serrano Water District
Brad Reese	Serrano Water District
Bill Green	South Coast Water District
Brett Barbre	Yorba Linda Water District
Gene Hernandez	Yorba Linda Water District
Tom Lindsey	Yorba Linda Water District
Lisa Ohlund	Ohlund Management & Technical Services
Emily Novak	San Diego County Water Authority
Frank Gomez	

TELECONFERENCE SITE

Director Yoo Schneider was participating via teleconference location (all agenda requirements pursuant to the Ralph M. Brown Act requirements were complied with).

PUBLIC PARTICIPATION/PUBLIC COMMENTS

President McVicker 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 McVicker 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 ITEMS**PRESENTATION BY KATANO KASAINÉ REGARDING MET'S 2-YEAR BUDGET**

Ms. Katano Kasaine and Mr. Arnout Van den Berg (MET staff) provided an update and overview of MET's proposed biennial budget for fiscal years 2024/25 and 2025/26, the proposed water rates and charges for calendar years 2025 and 2026, and an overview of the proposed rates and charges (along with a ten-year forecast).

The presentation included information on the projected revenues and expenses for the current fiscal year, water transactions (the last ten years as well as a ten-year projection forward), a detailed look at the proposed biennial budget expenditures and key drivers, as well as direction by the MET Board thus far to limit increases in expenditures. Mr. Van den Berg then reviewed the impacts the proposed biennial budget will have on the rates (as well as a historic view of MET's rates), MET's overall rate structure and alternative rate options and scenarios (including revenue sources), non-discretionary budget expenditures, and an overview of the 2020 IRP Needs Assessment. It was noted that a number of public hearings will be held prior to adopting the budget (which is scheduled for April).

The audience and Board members engaged in considerable discussion with the MET staff, with specific emphasis on the 1994 Blue Ribbon Task Force Report recommendations on integrated resources planning and rate structure proposals, the need and importance of cutting costs for reasonable rate increases (e.g., O&M cuts), the revenue short-fall (reduced water sales), the current rate structure and the need to amend the structure, the best alternatives/scenarios to help MET stay solvent (e.g., increase in Ad Valorem property taxes, fixed revenue, etc.), the importance of strong MET leadership to manage these hurdles, the importance of the current projects (e.g., Pure Water Southern California) and planning for an abundance of water (rather than focusing on rate increases), and the need for quality public messaging regarding the rate increases, as well as the impacts of deferred maintenance.

The Board thanked Ms. Kasaine and Mr. Van den Berg for the presentation, and received and filed the report as presented.

LEGISLATIVE ACTIVITIES**a. Federal Legislative Report**

Director of Governmental Affairs Heather Baez advised that both Sara Tucker and Garrett Durst (NRR) were not present; she highlighted NRR's report noting she was available to answer any questions.

General Manager De La Torre referenced a recent legislative trip to Washington, DC and commended both Heather Baez and Melissa Baum-Haley for their efforts in making the trip a success.

b. State Legislative Report

Mr. Syrus Devers, of SDA, reviewed his report, highlighting the primary election results and bill matrix, as well as the current “administrative” theme of the legislative year (bills introduced).

The Board received and filed the report.

c. Legal and Regulatory Report (Ackerman)

Mr. Dick Ackerman referenced his report, highlighting the Seawall Battles. He congratulated Ms. Baez on Jason Baez’ election victory (as judge of the Superior Court of Orange County).

The Board received and filed the report.

d. County Legislative Report (Whittingham)

Mr. Whittingham referenced his report, highlighting that South Coast Water District would be holding its ribbon cutting event (pipeline replacement) on March 7, 2024.

The Board received and filed his report.

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

Director Ackerman reported on MET’s Delta Ad Hoc Committee activities (of which she is Co-Chair).

Director Erdman highlighted MET’s Engineering, Operations & Technology Committee activities noting that projects totaling approximately \$8.7 million dollars will be presented to the MET Board in March.

Directors Seckel and Dick noted they had no additional comments or reports.

ACTION ITEMS

AB 2409 (PAPAN): STATE PERMITTING TRANSPARENCY DASHBOARD

Upon MOTION by Director Nederhood, seconded by Director Thomas, and carried (7-0), the Board adopted a support position on AB 2409 (Papan), authorized a letter be sent to the author and the Orange County delegation, and authorized joining CMUA’s outreach efforts, by the following roll call vote:

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

SB 1218 (NEWMAN): EMERGENCY WATER SUPPLIES

Ms. Baez advised that this legislation was sponsored by Irvine Ranch Water District (IRWD), and she introduced Ms. Christine Compton (IRWD) to the Board, who provided an overview of SB 1218.

Upon MOTION by Director Thomas, seconded by Director Crane, and carried (7-0), the Board adopted a support position on SB 1218 (Newman) and authorized joining Irvine Ranch Water District's (IRWD) coalition letter, by the following roll call vote:

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

INFORMATION ITEMS

MWD ITEMS CRITICAL TO ORANGE COUNTY

- a. MET Finance and Rate Issues
- b. MET Water Supply Conditions Update
- c. Water Quality Update
- d. Colorado River Issues
- e. 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 February 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 10:59 a.m.

Maribeth Goldsby
District Secretary