

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

July 3, 2024

At 8:30 a.m., As President McVicker was participating via a teleconference location, Vice President Thomas 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 Nederhood 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, Assistant General Mgr.
Kevin Hostert, Sr. Water Resource Analyst
Heather Baez, Director of Governmental Affairs
Damon Micalizzi, Director of Public Affairs
Sarina Sriboonlue, Principal Engineer
Alex Heidi, Sr. Water Resource Analyst

*Also MWDOC-MET Directors

OTHER MWDOC-MET DIRECTORS

Linda Ackerman
Dennis Erdman

OTHERS PRESENT

Sara Tucker (absent)
Garrett Durst
Syrus Devers
Dick Ackerman
Peter Whittingham
Paul Jones
Dave Youngblood
Kathryn Freshley
Mike Gaskins
Kay Havens
Mark Monin
Dennis Cafferty
Vu Chu
Sherri Seitz
Mike Dunbar
Ken Vecchiarelli
Doug Reinhart
Steve LaMar
Peer Swan

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
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
Irvine Ranch Water District

Paul Weghorst	Irvine Ranch Water District
Jim Atkinson	Mesa Water
Jim Fisler	Mesa Water
Diane Rifkin	Moulton Niguel Water District
Sherry Wanninger	Moulton Niguel Water District
Laura Rocha	Moulton Niguel Water District
Saundra Jacobs	Santa Margarita Water District
Robb Grantham	Santa Margarita Water District
Greg Mills	Serrano Water District
Brad Reese	Serrano Water District
Rick Shintaku	South Coast Water District
Brett Barbre	Yorba Linda Water District
Tom Lindsey	Yorba Linda Water District
Mark Toy	Yorba Linda Water District
Lisa Ohlund	Ohlund Management & Technical Services
Liz Mendelson-Goossens	San Diego County Water Authority
Emily Novak	San Diego County Water Authority

REMOTE/TELECONFERENCE SITES

Directors Yoo Schneider and McVicker were participating via teleconference location (all agenda requirements pursuant to the Ralph M. Brown Act requirements were complied with). Director Crane was participating remotely pursuant to the AB 2449 just cause exemption.

PUBLIC PARTICIPATION/PUBLIC COMMENTS

Vice President Thomas 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

Vice President Thomas 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**MWDOC MEMBER AGENCY PANEL DISCUSSION ON METROPOLITAN'S BUSINESS MODEL**

Assistant General Manager Melissa Baum-Haley advised that this item would consist of a facilitated panel discussion regarding MET's Business Model process and discussions, featuring panelists Alvin Papa (City of Huntington Beach), Fernando Paludi (Trabuco Canyon Water District), John Kennedy (Orange County Water District) and Paul Cook (Irvine Ranch Water District). It was noted that Mr. Paul Jones (Dopudja & Wells Consulting) would act as a facilitator.

Mr. Jones then held a discussion with the aforementioned panelists; the questions/topics included the following:

1. How MET's mission helps support their agency's mission, the value MET brings to their agencies, and how MET could improve in helping the agencies accomplish their missions.
2. Ways MET should balance the fixed nature of their system with the variable use and revenue each agency receives.
3. The most important priorities that MET should focus (from a local agency perspective) as the Business Model is evaluated; and
4. Relative to the Local Resources Program, how the agencies perceive the future of local supply development and investments (in relation to MET's role), and whether there could be ways for MET to continue to incentivize local projects as a good business decision.

The panelists each provided opinions/solutions on MET's Business Model and water rates (specifically how fixed rates represent the true cost of water, but increasing MET's fixed rate percentage too high may hurt groundwater agencies), the importance of long-term rate planning, water investments, and making it easier for agencies like OCWD to purchase discounted water (especially during wet-years). A dialogue between the Board members and panelists ensued with specific emphasis on how MET can work with the retail agencies and share services (e.g., Lab services, asset management, workforce development), improvements to the LRP program (a more strategic approach to projects, including having MET as an equity investor), water rates and costs (inequities), renewing OCWD's 2003 Storage Agreement with MET, and the importance of MET maintaining focus on its mission.

(Directors McVicker and Yoo Schneider departed the meeting).

Following discussion, the Board thanked the panelists and facilitator and received and filed the information.

LEGISLATIVE ACTIVITIES**a. Federal Legislative Report**

Director of Governmental Affairs Heather Baez advised that NRR's written report was included in the packet, and she highlighted the Salinity Control Bill and the Tax Parity for Water Rebates bill.

b. State Legislative Report

Mr. Syrus Devers, of SDA, reviewed his report, highlighting the Solve the Water Crisis bill and the bond/budget negotiations.

The Board received and filed the report.

c. Legal and Regulatory Report (Ackerman)

Mr. Dick Ackerman referenced his report, highlighting the Supreme Court’s recent decision to overturn the “Chevron Deference” expanding the judiciary’s power to review and reject interpretations of statutes adopted by federal administrative agencies.

The Board received and filed the report.

d. County Legislative Report (Whittingham)

Mr. Peter Whittingham reviewed his written report which was included in the Board packet.

The Board received and filed the report.

e. MWDOC Legislative Matrix

The Board received and filed the report.

f. Metropolitan Legislative Matrix

The Board received and filed the report.

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

The MWDOC MET’s Directors each highlighted the importance of the Business Model process, noting it will address long-term planning, and that it was beneficial to hear from the panel this morning; they encouraged the agencies to participate in the process.

ACTION ITEMS

H.R. 8682 (HUFFMAN, D-CA) – WATER CONSERVATION REBATE TAX PARITY ACT

Upon MOTION by Director Seckel, seconded by Director Nederhood, and carried (5-0), the Board adopted a support position on H.R. 8682 (Huffman, D-CA), by the following roll call vote:

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

SB 1255 (DURAZO) - PUBLIC WATER SYSTEMS: WATER RATE ASSISTANCE PROGRAM

Director of Governmental Affairs Baez provided an overview of SB 1255 (including the recommended amendments to the legislation) and discussion ensued regarding whether to adopt the staff recommendation (oppose unless amended) or simply adopt an oppose position (due to the number of amendments necessary).

Upon MOTION by Director Seckel, seconded by Director Thomas, and carried (5-0), the Board adopted an oppose position on Senate Bill 1255 (Durazo), by the following roll call vote:

- AYES: Directors Nederhood, Dick, Seckel, Crane & Thomas
- NOES: None
- ABSENT: Directors McVicker and Yoo Schneider
- 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 June 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 10:50 a.m.

Maribeth Goldsby
District Secretary