The Water Issues Committee meeting Chair Director Bilodeau called the meeting to order in the District Boardroom in Fountain Valley, CA. The Assistant District Secretary reported a quorum of the Committee.

Committee Members

Denis Bilodeau
Phil Anthony
Shawn Dewane
Dina Nguyen
Roman Reyna

(continued)

Alternates

Steve Sheldon
Jan Flory
Jordan Brandman
Roger Yoh
Cathy Green

(continued)

Ocean County Water District (OCWD) staff

Mike Markus - General Manager
Mike Wehner - Assistant General Manager
John Kennedy - Executive Director
Greg Woodside - Executive Director
Joel Kuperberg - General Counsel
Judy-Rae Karlsen - Assistant District Secretary

Others

Howard Johnson - Brady
Tom McCarthy - City of Anaheim
Paul Shoenberger, Phil Lauri - Mesa Water District
Nabil Saba - City of Santa Ana
Peer Swan - Irvine Ranch Water District
Dean Chambers - City of La Palma
Keith Lyon - Municipal Water District of Orange County
Marc Marcantonio, Steve Conklin - Yorba Linda Water District

CONSENT CALENDAR

Director Bilodeau requested Item No. 7, City of Huntington Beach Basin Equity Assessment Exemption Request be removed from the Consent Calendar. The remainder of the Consent Calendar was then approved upon motion by Director Green, seconded by Director Anthony and carried [4-0].

[Yes- Bilodeau, Anthony, Dewane, Green/No – 0]

1. Minutes of Meeting

The Minutes of the Administration and Finance Issues Committee meeting held May 11, 2016 were approved as presented.

2. Amendment to Agreement with Doty Brothers Construction Co. for the Replacement of Two 24-Inch Valves on the Green Acres Project Pipeline

Recommended by Committee for approval at June 15 Board meeting: Approve Amendment to Agreement No. 1152 with Doty Bros in the amount of $16,057 for additional days of construction labor.


Recommended by Committee for approval at June 15 Board meeting: Accept completion of work and authorize filing Notice of Completion for Contract No. GBM-2016-1 for the destruction of monitoring wells AM-36 and SCS-13, and construction of replacement monitoring well SCS-13R.

Recommended by Committee for approval at June 15 Board meeting: Approve issuance of Change Orders Nos, 1 - 3; and increase the project budget from $950,000 to $1,000,000.

5. Agreement with California State University Long Beach (CSULB) for La Palma Basin Research Project

Recommended by Committee for approval at June 15 Board meeting: Authorize execution of Agreement with CSULB for an amount not to exceed $80,163 for the La Palma Basin Research Project.

6. Purchase Order for 2-Gas Chromatograph / Mass Spectrometers (GC/MS) for the Advanced Water Quality Assurance Laboratory

Recommended by Committee for approval at June 15 Board meeting: Authorize issuance of Purchase Order to Agilent Technologies for the total amount of $219,206 for Agilent 7820 and 7890B Gas Chromatographs coupled with 5977B Electron Impact Mass Spectrometer systems.

7. City of Huntington Beach Basin Equity Assessment Exemption Request

This matter was removed from the Consent Calendar.

8. Extension of Alamitos Groundwater Model for Sunset Gap Seawater Intrusion Analysis

Recommended by Committee for approval at June 15 Board meeting: Authorize staff to request a proposal from Intera, Inc. to expand and recalibrate the Alamitos Gap groundwater model into the Sunset Gap for the purposes of seawater intrusion control alternatives evaluation.

9. Agreement with Ruth Villalobos and Associates to Support the Prado Basin Feasibility Study

Recommended by Committee for approval at June 15 Board meeting: Authorize execution of Agreement with Ruth Villalobos and Associates for an amount not to exceed $45,000 to support the Prado Basin Feasibility Study.

10. Mid-Basin Injection: Centennial Park Easement from Santa Ana Unified School District and License Agreement with City of Santa Ana

Recommended by Committee for approval at June 15 Board meeting: 1) Approve and authorize execution of Easement Deed with the Santa Ana Unified School District for the Heritage Museum Monitoring Well for a one-time payment of $25,200, subject to non-substantive changes approved by the General Manager and District Attorney; and 2) Approve and authorize execution of License Agreement with the City of Santa Ana for Construction and Operation of the Mid-Basin Injection project at Centennial Park, subject to non-substantive changes approved by the General Manager and District Attorney.
ITEM REMOVED FROM THE CONSENT CALENDAR

Director Reyna arrived during the following discussion.

7. City of Huntington Beach Basin Equity Assessment Exemption Request

Director Bilodeau requested that staff provide more information on the terms and conditions of the exemption request and the contractual agreement with the City of Huntington Beach. Executive Director John Kennedy advised the partial Basin Equity Assessment (BEA) exemption program would be similar to what was recently implemented with the City of Santa Ana and City of Garden Grove for a three year period. Director Bilodeau asked General Counsel Joel Kuperberg to review the Agreement and clarify that the water in the Agreement be defined as “local groundwater” not supplemental water and the City of Huntington Beach will pay the future BEA after the three year exemption. Mr. Kennedy noted the terms of the Agreement will be clarified prior to approval at the June 15 Board meeting. The Committee then took the following action.

Upon motion by Director Bilodeau, seconded by Director Anthony and carried [5-0], the Committee recommended that the Board at its June 15 Board meeting: Authorize execution of Agreement with the City of Huntington Beach for a partial Basin Equity Assessment Exemption for Well No. 9.
[Yes- Bilodeau, Anthony, Dewane, Reyna Green/No – 0]

MATTERS FOR CONSIDERATION

11. Mid-Basin Injection: Centennial Park Construction Management Agreement Awards to Butler and Geotechnical Consultants and Amendment to Tetra Tech

Engineer Ben Smith reviewed the Mid-Basin Injection project and the scope of work for the Centennial Park project management civil construction and well construction activities. He advised that staff determined that specialists were needed in each aspect of the project and a Request for Proposals was issued in March. Mr. Smith advised that four civil construction management proposals were received and the evaluation team recommended awarding the contract to Butler Construction Managers for an amount not to exceed $1,155,932. He then reviewed the six well construction management proposals received and reported the evaluation team recommended awarding the contract to Geotechnical Consultants, Inc. for an amount not to exceed $449,810. Mr. Smith reported the pipeline layout required additional design services and Tetra Tech submitted a change order and staff recommends issuing an Amendment for an amount not to exceed $45,460. After a review of the project budget and proposed project timeline the Committee took the following actions.

Upon motion by Director Reyna, seconded by Director Dewane and carried [5-0], the Committee recommended that the Board at its June 15 Board meeting:
1) Authorize Agreement to Butler Construction Managers for an amount not to exceed $1,155,932 for Civil Construction Management Services for the Mid-Basin Injection: Centennial Park Project;
2) Authorize Agreement to Geotechnical Consultants, Inc. for an amount not to exceed $449,810 for Well Construction Management Services for the Mid-Basin Injection: Centennial Park Project; and
3) Authorize Amendment No. 1 to Agreement No. 1090 with Tetra Tech, Inc. for an amount not to exceed $45,460 for additional utility exploration and architectural treatments.
[Yes- Bilodeau, Anthony, Dewane, Reyna, Green/No – 0]
Director Brandman arrived during the discussion on this matter.

12. Compliance with the Sustainable Groundwater Management Act (SGMA) with Alternative Submittal

Recharge Planning Manager Adam Hutchinson reviewed the Sustainable Groundwater Management Act (SGMA) and described the Groundwater Sustainability Plans (GSPs) and Alternatives. He advised that staff is seeking Board authorization to proceed with preparing an Alternative that covers the District’s groundwater basin and complies with SGMA requirements in coordination with other agencies within the defined Department of Water Resources (DWR) Basin 8-1. Director Anthony requested that staff prepare the Alternative and bring it back for final review prior to the submission deadline of January 1, 2017. The Committee then took the following action.

Upon motion by Director Anthony, seconded by Director Dewane and carried [5-0], the Committee recommended that the Board at its June 15 Board meeting: Authorize staff to prepare and submit an Alternative to comply with the requirements of the Sustainable Groundwater Management Act for the California Department of Water Resources Basin 8-1. [Yes- Bilodeau, Anthony, Dewane, Reyna, Brandman/No – 0]


Mr. Hutchinson reported that the District is in the process of developing the Santa Ana River Conservation and Conjunctive Use Program (SARCCUP) with the four member agencies of the Santa Ana Watershed Project Authority (SAWPA). He noted that three documents were prepared by SAWPA that outline how the program will be managed and the preparation of environmental documentation that includes a Memorandum of Understanding (MOU) for implementing SARCCUP; an Agreement with SAWPA to establish a Committee to manage $55 million in grant funding, and a Letter Agreement to reimburse Inland Empire Utilities Agency for an amount not to exceed $68,080 for California Environmental Quality Act costs. The Committee discussed the SARCCUP program and then took the following actions.

Upon motion by Director Bilodeau, seconded by Director Anthony and carried [5-0], the Committee recommended that the Board at its June 15 Board meeting:

1) Approve and authorize execution of the SARCCUP Memorandum of Understanding for Program Implementation subject to approval as to form by the District’s legal counsel;  
2) Approve and authorize execution of Santa Ana Watershed Project Authority Project Agreement 23 (PA23) subject to approval as to form by the District’s legal counsel; and  
3) Approve and authorize Cost Share Letter Agreement for the SARCCUP Program Environmental Impact Report subject to approval as to form by the District’s legal counsel and authorize payment to the Inland Empire Utilities Agency for an amount not to exceed $68,080.  
[Yes- Bilodeau, Anthony, Dewane, Reyna, Brandman/No – 0]

INFORMATIONAL ITEMS

14. GWRS Final Expansion Update

Principal Engineer Sandy Scott-Roberts reviewed the plans for the GWRS Final Expansion project and joint agency activities. She advised the Orange County Sanitation District (OCSD) and Orange County Water District (OCWD) jointly funded the SP-173 - Effluent Reuse Study to evaluate the feasibility of the GWRS Final Expansion Project. Ms. Scott briefly addressed anticipated flows, actual
flows and current and anticipated production rates. She briefly addressed the Santa Ana River Incept (SARI) line water quality issues and potential strategies for diverting waste water flows that comingle in the SARI line for potential future use as GWRS source water. Director Dewane noted the GWRS project is dependent on consumption and the recent increase in conservation mandates has significantly decreased water demands. He requested that staff revisit anticipated GWRS production rates if water demands continue to decline at 25%. Mr. Dewane requested that staff provide the additional capital costs that will be needed for the proposed final expansion project and how that will impact the production cost of the water. He also requested that staff include the Mid-Basin Injection project in the GWRS capital costs and in the costs per acre foot. Director Reyna requested that staff provide the capital costs for the final expansion project and for the new production water and subtract any potential runoff or other potential sources of water.

Ms. Scott Roberts outlined the actual daily GWRS production rates, expansion costs, potential grant funding and how staff determines the GWRS annual goals for maximum gallons per day (mgd). She advised that staff is drafting an Amendment to the Joint Agreement that will clarify each agency’s responsibilities and include the new microfiltration pilot studies at OCSD plant 2.

15. Revised State Water Resources Control Board Emergency Conservation Regulation

Executive Director John Kennedy advised that the State requires water conservation at approximately 25%, however, due to GWRS credits, OCWD Groundwater Producers are only required to conserve 18% on average. The State recently developed an optional “Self-Certifying” program and each producer is able to calculate conservation demands using a 3 dry year (2012, 2013, 2014) formula that will calculate predicting imported water demands, groundwater pumping, and total water demands. He advised staff will be able to review the self-certifications submitted to the State by groundwater producers.

16. Warner Recharge Basin Turf Removal Project Completion

Director of Field Operations Scott Nygren reported the District removed 160,000 square feet of turf at Warner Recharge Basin and planted California native and drought tolerant landscaping. General Manager Mike Markus advised this project received a rebate from the City of Anaheim in the amount of $48,138 and grant funding in the amount of $320,000 from the Metropolitan Water District’s (MWD) SoCal Water$mart Program.

ADJOURNMENT

There being no further business, the meeting was adjourned at 9:10 a.m.

Denis Bilodeau, Chairman