

MINUTES OF MEETING
BOARD OF DIRECTORS, ORANGE COUNTY WATER DISTRICT
March 1, 2017, 5:30 p.m.

President Bilodeau called to order the March 1, 2017 regular meeting of the Orange County Water District Board of Directors at 5:30 p.m. in the Boardroom at the District office. Following the Pledge of Allegiance to the Flag, the District Secretary called the roll and reported a quorum as follows.

Directors

Philip Anthony
Denis Bilodeau
Shawn Dewane
Cathy Green
Dina Nguyen
Vicente Sarmiento
Stephen Sheldon
James Vanderbilt
Bruce Whitaker
Roger Yoh

Staff

Michael R. Markus, General Manager
Joel Kuperberg, General Counsel
Janice Durant, District Secretary

VISITOR PARTICIPATION

City of Huntington Beach resident Patricia Goodman urged the Board to implement water conservation as a way of life, stressing there is no need for Poseidon as it is a waste of taxpayer funds, harms the marine environment, and disrupts the community during construction process.

CONSENT CALENDAR

The Consent Calendar was approved upon motion by Director Green, seconded by Director Anthony and carried [8-0] as follows:

Ayes: Anthony, Bilodeau, Dewane, Green, Nguyen, Sarmiento, Sheldon, Whitaker, Yoh
Absent: Vanderbilt

1. Approval of Cash Disbursements

MOTION NO. 17-32
APPROVING CASH DISBURSEMENTS

Payment of bills for the period February 9, 2017 through February 22, 2017 in the total amount of \$9,071,939.94 is ratified and approved.

2. Approval of Minutes of Board Meeting

MOTION NO. 17-33
APPROVING MINUTES OF BOARD MEETINGS

The minutes of the Board of Directors meetings held February 1, 2017 are approved as presented.

3. Proposed Fiscal Year 2017 - 18 Budget

District Chief Financial Officer/Treasurer Randy Fick provided an overview of the FY 2017-18 budget totaling \$204.4 million, noting an approximately \$9 million increase from last year's budget mostly due to the District's intention to purchase more water from last year's budget. He stated that the proposed budget assumes maintaining a 75% BPP and increasing the RA from \$402 af to \$445 af. He reported that \$49.7 million has been budgeted for purchase of 65,000 af of firm untreated water from MWD.

Director Vanderbilt arrived at 5:50 p.m. at this point in tonight's meeting.

INFORMATIONAL ITEMS

4. Update on Prado Basin Feasibility Study

Executive Director of Planning and Natural Resources Greg Woodside recalled that the Prado Basin Feasibility Study is an activity that OCWD as the local sponsor is working on with the Army Corps, the lead agency who owns Prado Dam. He stated the Study includes evaluation of water conservation, sediment management, and ecosystem restoration opportunities in Prado Basin. Mr. Woodside stated that alternatives evaluated in the study include several measures, including: increasing flood season water conservation elevation from current 498 foot elevation to elevation 505 on a permanent basis, which will add approximately 10,000 acre-feet of storage capacity, invasive species removal, habitat enhancement for endangered species, wetlands creation, and sediment removal. Mr. Woodside noted the Army Corps approved a deviation to 505 feet for this flood season but the Study would provide a permanent change in the water conservation elevation going forward. He provided an updated Feasibility Study schedule that provides for a final revised Memorandum of Agreement date of December 2019. Mr. Woodside recalled that in 2012, the Corps estimated the cost to prepare the Study at \$3 million and noted that the Board has approved funding study expenses up to \$2,530,165. He stated that staff anticipates the Corps will request approximately \$1,300,000 for additional Corps expenses to complete the Study, noting that the Corps is finalizing its estimate and will transmit a letter with the request for additional funds. Mr. Woodside reported that the Corps has different cost share allocations for ecosystem restoration and water conservation: water conservation is 100% funded by the local sponsor, OCWD. He stated the cost share for construction of ecosystem restoration measures, including sediment management is 65% federal and 35% OCWD. For operations and maintenance of ecosystem restoration, including sediment management measures, he stated the costs are funded 100% OCWD. Mr. Woodside reported that staff anticipates reviewing estimated costs with Board in April, and is exploring phased implementation of some project measures such as sediment management measures, noting Federal funding for design and construction requires Congressional approval.

5. Santa Ana Watershed Project Authority Activities

Director Anthony reported that SAWPA approved a Request for Proposals to create more habitat for the Santa Ana sucker which could impact OCWD's rights to conserve water in the river. He stated SAWPA also approved the City of Beaumont connecting to the Brine Line to help keep salts out of the river.

6. Committee/Conference/Meeting Reports

There were no reports on Committees/Conferences/Meetings Attended at District Expense

7. Verbal Reports

Mr. Markus advised that he and Roy Herndon attended the Santa Ana River Watermaster meeting where it was determined the baseflow of the SAR for water year 2015-16 went up by 6,000 af from 65,000 afy to 71,000 afy possibly due to reduced pumping in the Bunker Hill Basin in Riverside so the SAR wasn't recharging as much water as it had in past years.

Director Whitaker thanked Mr. Markus for his recent verbal report to the Fullerton City Council on the plume related issue and how cleanup is proceeding.

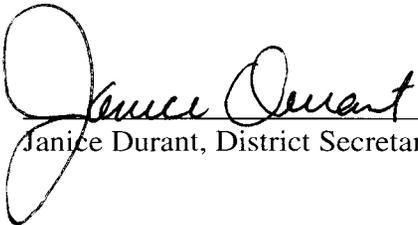
General Counsel Kuperberg reminded the Board that the Annual Conflict of Interest Disclosures are due April 3.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 6:13 p.m.



Denis Bilodeau, President



Janice Durant, District Secretary