

MINUTES OF BOARD OF DIRECTORS MEETING
WITH WATER ISSUES COMMITTEE
ORANGE COUNTY WATER DISTRICT
March 11, 2015 @ 8:00 a.m.

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

Committee

Denis Bilodeau
Philip Anthony
Dina Nguyen (not present)
Shawn Dewane
Roman Reyna

Alternates

Steve Sheldon (arrived 8:33 a.m.)
Jan Flory
Harry Sidhu
Roger Yoh (not present)
Cathy Green

OCWD Staff

Mike Markus - General Manager
Joel Kuperberg - General Counsel
Judy-Rae Karlsen - Assistant District Secretary
Dan Bott, Ryan Bouley, Paula Bouyounes,
Darla Cirillo, Jason Dadakis, Randy Fick,
Roy Herndon, Adam Hutchinson, Bill Hunt,
Chris Olsen, Marsha Westropp, Mike Wehner,
Greg Woodside, Dick Zembal

Others

Steve Conklin – Yorba Linda WD
Paul Shoenberger– Mesa Water District
Betsy Eglash, Howard Johnson – Brady
Associates
Don Calkins – City of Anaheim

VISITOR PARTICIPATION

Mesa Water District General Manager Paul Shoenberger reported the Groundwater Producers have organized a subgroup to explore complex groundwater clean-up issues and increase communications with the District.

CONSENT CALENDAR

The Consent Calendar was approved upon motion by Director Anthony, seconded by Director Dewane and carried [5-0] as follows.

[Yes –Bilodeau, Anthony, Dewane, Reyna, Flory/No – 0]

1. Minutes of Previous Meeting

The Minutes of the Water Issues Committee meeting held March 11, 2015 are approved as presented.

2. Ratify Amendment No. 2 to Agreement with Layne Christensen Company for Test Pumping of Bessy Walls Well at Warner Basin

Recommended for approval at March 18 Board meeting: Ratify Amendment No. 2 to Agreement No.1030 with Layne Christensen Company in the amount of \$1,763.49 to refurbish the existing pump motor for the Bessy Walls Well at Warner Basin.

3. East Newport Mesa Groundwater Investigation Monitoring Well Installations and Marsh Well Conversion: Change Orders, Notices of Completion, and Amendment to Services Agreement with Hargis + Associates

Recommended for approval at March 18 Board meeting: 1) Ratify issuance of Change Order No. 2 to BEKS Acquisition Inc. (dba BC2 Environmental) for additional no-cost time extension to complete contract work associated with Contract No. GBM-2014-1 for the construction and development of monitoring wells OCWD-M54A and OCWD-M54B; 2) Accept completion of work and authorize filing Notice of Completion for Contract No. GBM-2014-1, East Newport Mesa Groundwater Investigation Monitoring Well Installation Project; 3) Ratify issuance of Change Order No. 1 to Yellow Jacket Drilling Services for additional excusable no-cost time extension to complete contract work associated with Contract No. GBM-2014-2 for the completion of the Marsh Well conversion; 4) Accept completion of work and authorize filing Notice of Completion for Contract No. GBM-2014-2, East Newport Mesa Groundwater Investigation Marsh Well Conversion; and 5) Authorize issuance of Amendment No. 2 to Services Agreement No. 0974 with Hargis + Associates in the amount of \$3,300 for out-of-scope field inspection services due to rain and mud at the Marsh well site.

4. Amendment to Agreement with OC Flood Control District for the Fletcher Recharge Basin Project

Recommended for approval at March 18 Board meeting: Authorize issuance of Amendment No. 1 to Agreement D12-006 between Orange County Flood Control District and Orange County Water District for joint use of the flood control facility, Fletcher Basin.

5. Professional Services Agreement to Donald Phipps for Consulting Services

Recommended for approval at March 18 Board meeting: Authorize issuance of a Professional Services Agreement to Donald Phipps for an amount not to exceed \$25,000 for technical consulting services.

6. Professional Services Agreement To Rosenberg + Associates for Administration Building HVAC Upgrade Project

Recommended for approval at March 18 Board meeting: Authorize issuance of a Professional Services Agreement to Rosenberg + Associates for an amount not to exceed \$88,000 for the OCWD Administration Building HVAC Upgrade Project.

MATTERS FOR CONSIDERATION

7. Proposed Fiscal Year 2015-16 Water Purchase Budget

Executive Director John Kennedy gave a detailed presentation on the proposed Fiscal Year 2015-16 Water Purchase Budget. He reported the Water Purchase Budget is projected to be \$41.5 million for 67,000 acre-feet (af) of water with the largest expense being the proposed purchase of 65,000 af of Metropolitan Water District (MWD) untreated full service water. He advised that assuming average hydrology, the District would be able to maintain the accumulated overdraft and water storage levels similar to last year, however that also assumes 65,000 af of MWD water is available, received and recharged into the groundwater basin. Mr. Kennedy briefly discussed sources of water that contribute to recharging the groundwater basin and major impacts on groundwater storage levels. He explained recent discussions with MWD about water allocations that could significantly impact the purchase of water that supports the basin pumping percentage (BPP) for next year. He advised the District has also committed to purchase 650,000 af of water over a ten-year period from the Municipal Water District of Orange County.

General Manager Mike Markus reported that staff is developing a strategy for sustaining the BPP at 70%. Orange County Groundwater Producers Group Chair Paul Shoenberger reported Groundwater Producer comments and concerns related to the proposed water purchase budget, the groundwater basin pumping percentage, groundwater basin storage, and future financial impacts on local producers and the retail community. Mr. Markus reminded the Committee that \$45 of the \$50 increase in the Replenishment Assessment (RA) will be used to purchase imported water which also sustains the BPP and decreases the overall cost of water for Producers. He advised that reductions in the overall District budget also allows for limiting RA increases. Mr. Kennedy advised the water purchase budget plan will be presented and discussed at the Groundwater Producers meeting. The Committee took no action.

Director Sheldon arrived at 8:33 a.m. during the following discussion.

8. Prado Basin Sediment Management Demonstration Project

Executive Director Greg Woodside presented a brief history of the Prado Basin Sediment Management Demonstration project and highlighted the various phases of the proposed project. He provided answers to questions and concerns raised at the February Committee meeting. Mr. Woodside stated that staff has completed the Environmental Impact Report (EIR) for the project and once the Board certifies the EIR, staff would be able to move forward to secure regulatory permits and begin the competitive application process for additional grant funding. Director Bilodeau advised the County of Orange approved an agreement for sand in the lower Santa Ana River to be moved to Seal Beach. Director Dewane determined the District would be paying approximately \$30 per cubic yard for sediment removal. The Committee discussed proposed changes to the project scope and requested that staff research sand mining; excavation operations; options for reintroducing sediment in the Santa Ana River; and continue to consider additional cost saving measures. Mr. Woodside advised that certifying the EIR and approving the Engineering Analysis Report is beneficial for making the project competitive for outside funding and that the project would be brought back to the Board for additional approvals. The Committee stated ongoing concerns related to the project costs. Director Dewane suggested that staff consider splitting the project into two projects. Director Sheldon advised that he could support certifying the EIR but could not justify the economics of the project at this time. After a lengthy discussion, the Committee then took the following action.

Upon motion by Director Bilodeau, seconded by Director Dewane and carried [5-0], the Committee recommended postponing taking an action at this time and directed staff to return to Committee with a response to Committee comments and concerns.

[Yes –Bilodeau, Anthony, Dewane, Reyna, Sheldon/No – 0]

9. Amendment to Agreement with Stantec Consulting Services, and Certification of Final Environmental Impact Report for the La Palma Recharge Basin Project and Approve 75% Design

Assistant District Engineer Chris Olsen presented a brief history of the La Palma Recharge Basin Project. He reviewed the conceptual design, basin configurations, the project schedule and the total project budget in the amount of \$5.75 million. He recommended the Committee certify the Final Environment Impact Report for the project and approve the 75% design work. Mr. Olsen advised that staff is also recommending approval of Amendment No. 1 to the Agreement with Stantec Consulting Services, Inc. for a change in the design of the process control system. Mr. Olsen noted the project should be completed and the basins online in July 2016.

City of Anaheim representative Don Calkins advised the City of Anaheim submitted an EIR comment letter that stated a concern that the GWRS water recharged at those basin locations may be too close to a proposed production well site. He requested that the District work with the City of Anaheim if the

GWRS water impacts the zone of influence for the future well site. General Manager Mike Markus responded that the District will work with the City of Anaheim on that issue. The Committee then took the following action.

Upon motion by Director Anthony, seconded by Director Reyna and carried [5-0], the Committee recommended that the Board at its March 18 Board meeting: Adopt Resolution certifying the Environmental Impact Report for the La Palma Recharge Project which includes the following items: 1) Certify the Final Environmental Impact Report for the Project; 2) Adopt the Findings of Fact and Statement of Overriding Consideration and the Mitigation Monitoring Reporting Program; 3) Approve 75% design documents for the project; 4) Authorize issuance of Amendment No. 1 to Agreement No. 0999 with Stantec Consulting Services, Inc. for an amount not to exceed \$24,820 for additional out-of-scope engineering services in support of the design of the project; and 5) Authorize filing of Notice of Determination.

[Yes –Bilodeau, Anthony, Dewane, Reyna, Sheldon/No – 0]

Director Bilodeau stated he may have a Conflict of Interest on the Item No. 10 due to his employment, with the County of Orange. He turned the meeting over to Director Anthony and left the room at 9:17 a.m. prior to the discussion on the following item.

10. County of Orange Adopt A Channel Program

Mr. Woodside reported on the County of Orange Adopt A Channel program that addresses trash removal and graffiti abatement in the channel systems in Orange County. He noted the program is similar to the Adopt A Highway program and Disneyland was the first to respond and adopt a channel. Mr. Woodside reported the County has requested the District consider participation. Staff suggested the reach of the Santa Ana River where the District conducts recharge operations is a potential candidate channel. He outlined the terms and conditions for the program and responded to Committee questions. Mr. Woodside reported the District is already removing trash from the river via the trash rack operation in that location and there would be no additional operational costs involved. The Committee requested that Mr. Woodside do further research and return to the Committee with a proposal for consideration. The Committee then took the following action.

Upon motion by Director Flory, seconded by Director Anthony and carried [5-0], the Committee directed staff to review the Adopt A Channel program with County of Orange staff and return to Committee with a proposal for consideration.

[Yes –Anthony, Dewane, Reyna, Sheldon, Flory/No – 0]

INFORMATIONAL ITEM

11. Update: Status of Santa Ana Sucker Conservation, Compliance with Regulatory Permits and Agreements

Director of Natural Resources Dick Zembal gave a brief update on the Santa Ana Sucker (Sucker) fish and discussed recent interactions with regulatory agencies due to the Sucker being on the endangered /threatened species list and critical habitat designations in portions of the Santa Ana River. He advised that routine District activities and maintenance operations in the river require regulatory permits that allow staff to interact with the fish in critical habitat areas. He reported the California Department of Fish and Wildlife supports the District continuing to be involved in the Santa Ana Sucker Conservation team although the program administered by Santa Ana Watershed Project Authority needs to be restructured.

ITEM TO BE AGENDIZED ON THE CONSENT CALENDAR AT THE MARCH 18 BOARD MEETING

The Committee requested that Item Nos. 2-6,9 be agendized on the Consent Calendar at the March 18 Board meeting.

DIRECTOR COMMENTS

Director Sidhu reported the City of Anaheim has organized a retirement party for Don Calkins and everyone was invited to attend.

ADJOURNMENT

There being no further business, the meeting was adjourned at 9:29 a.m.



Director Denis Bilodeau, Chair