

MINUTES OF BOARD OF DIRECTORS MEETING
WATER ISSUES COMMITTEE
ORANGE COUNTY WATER DISTRICT
July 12, 2017 @ 8:00 a.m.

Director Green called the Water Issues Committee meeting to order at 8:00 a.m. in the District Boardroom. The Assistant District Secretary called the roll and reported a quorum of the Committee as follows.

Committee Members

Cathy Green
Phil Anthony
Bruce Whitaker
James Vanderbilt
Vicente Sarmiento

Alternates

Shawn Dewane
Steve Sheldon (absent)
Dina Nguyen (absent)
Roger Yoh (absent)
Denis Bilodeau

OCWD

Mike Markus –General Manager
Jeremy Jungreis - General Counsel
John Kennedy - Executive Director
Christina Fuller- Assistant District Secretary

CONSENT CALENDAR

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

Ayes - Green, Anthony, Vanderbilt, Sarmiento, Dewane

1. Minutes of Water Issues Committee Meeting Held June 14, 2017

The Minutes of the Water Issues Committee meeting held June 14, 2017 were approved as presented.

2. North Basin Remedial Investigation Monitoring Well Installations: Award Contract GBM-2017-2 to Beks Acquisition Inc. DBA BC2 Environmental

Recommended by Committee for approval July 19 Board meeting: Receive and file Affidavit of Publication of Notice Inviting Bids for contract GBM-2017-2 and Accept bid and award Contract No. GBM-2017-2 to BEKS Acquisition DBA BC2 Environmental for an amount not to exceed \$809,880.

3. Contract GBM-2017-1 East Newport Mesa Groundwater Investigation Monitoring Well Installations – Notice Of Completion

Recommended by Committee for approval at July 19 Board meeting: Accept completion of work and authorize filing of Notice of Completion for Contract No. GBM-2017-1 for the East Newport Mesa Groundwater Investigation monitoring well installations.

4. Payment to San Bernardino Valley Municipal Water District for OCWD Cost Share of Phase II Decision Support Model

Recommended by Committee for approval at July 19 Board meeting: Authorize payment of \$33,900 to San Bernardino Valley Municipal Water District for the District's cost share for Phase II of the decision support modeling for the Santa Ana River Conservation and Conjunctive Use Program.

5. Agreement to One Source Distributors for Three Year Preventive Maintenance Program on Medium Voltage Variable Frequency Drives for the Fountain Valley Site

Recommended by Committee for approval at July 19 Board meeting: Authorize issuance of Agreement to One Source Distributors for an amount not-to-exceed \$133,000 to provide electrical equipment maintenance services on variable frequency drives over a three year period. Costs for services in the first year are not to exceed \$44,333.

6. Amendment to Agreement with Butier Engineering for the North Basin Extraction Well EW-1 Connection to Sanitary Sewer Project

Recommended by Committee for approval at July 19 Board meeting: Approve Amendment to Agreement No. 1198 with Butier Engineering for an amount not to exceed \$15,864 for construction management and inspection services.

MATTERS FOR CONSIDERATION

7. Cost Share Agreement for Upper Santa Ana Watershed Model

Executive Director Greg Woodside reminded the Committee that in 2014, water agencies in the upper watershed began a collaborative effort to prepare an Upper Santa Ana River Habitat Conservation Plan. He stated this Habitat Conservation Plan (HCP) is a comprehensive, regional plan to manage land and create wildlife habitat that includes most of the watershed tributary to Prado Dam, excluding the San Jacinto Watershed and Temescal Creek. He reminded the Committee that the Board approved the District's participation in the HCP in May 2016. He stated The District, Inland Empire Utilities Agency (IEUA), San Bernardino Valley Municipal Water District (Valley District) and Western Municipal Water District (Western), or funding agencies, desire to develop a flow model for the upper watershed area tributary to Prado Dam. Mr. Woodside stated the five existing groundwater models to be included in the model area are Yucaipa, San Bernardino Basin Area, Rialto-Colton, Riverside-Arlington, and Chino Basin. He advised that the model development would be funded equally by the funding agencies. He reported the proposed model merges five groundwater models and surface water model into 1 Integrated Model. Mr. Woodside reviewed the project schedule and the summary of work elements and cost.

Upon motion by Director Anthony, seconded by Director Vanderbilt and carried [5-0], the Committee recommended that the Board at its July 19 Board meeting: 1) Approve and authorize execution of cost share agreement for Upper Santa Ana Watershed Model with San Bernardino Valley Municipal Water District, Western Municipal Water District, and Inland Empire Utilities Agency subject to approval as to form by General Counsel, and 2) Authorize payment of the District's model development cost share in an amount not to exceed \$326,624 to San Bernardino Valley Municipal Water District.

Ayes - Green, Anthony, Whitaker, Vanderbilt, Sarmiento

8. Metropolitan Water District Cyclic Storage Agreement

Executive Director John Kennedy stated that staff recommends entering into a Cyclic Storage Agreement with the Metropolitan Water District (MWD) and the Municipal Water District of Orange County (MWDOC). He advised that under the agreement the District could take up to an additional 100,000 acre-feet of treated in-lieu water from MWD this fiscal year (FY2017-18). Mr. Kennedy stated this is in addition to the 65,000 acre-feet of untreated MWD water in the current budget. He advised the District has budgeted and is working to purchase and recharge 65,000 acre-feet of untreated MWD water this fiscal year. He stated the unit cost of this water is \$666/acre-foot. He reported the Cyclic Agreement would allow the District to purchase up to an additional 100,000 acre-feet of treated in-lieu MWD water which normally cost \$979/acre-foot.

He advised that under the terms of the Cyclic Agreement, MWD would provide a credit to the District to lower the overall cost of the treated water. Mr. Kennedy reviewed the groundwater pumping impact, the effect on the groundwater producers and the funding for additional water purchases. Paul Cook of the Irvine Ranch Water District, Paul Shoenberger of the Mesa Water District and Ken Vecchiarelli of the Golden State Water District all stated they were in support of the proposed program.

Upon motion by Director Anthony, seconded by Director Vanderbilt and carried [5-0], the Committee recommended that the Board at its July 19 Board meeting: 1) Authorize: the General Manager to execute a Metropolitan Water District Cyclic Storage agreement according to the terms provided and review by legal counsel 2) Authorize the purchase of up to an additional 100,000 acre-feet of water under the Cyclic Agreement; and 3) Authorize staff to access \$25 million of the Taxable Commercial Paper program to assist in purchasing this additional water.

Ayes - Green, Anthony, Whitaker, Vanderbilt, Sarmiento

9. Recommended Change to Policy for Developing New Local Water Resources

General Manager Mike Markus stated that staff recommends broadening the existing Water Resources Policy to allow the consideration of other types of programs and projects such as groundwater banking and exchange programs, conjunctive use and additional amber tinted water treatment. He advised that by broadening the policy the Board would be enabling staff to consider a broader range of projects for long term planning purposes. Mr. Markus reported the policy would also allow for potential opportunities and further discussion of more integrated regional management of water resources in the county. He advised that this policy does not preapprove any future project; it just allows the opportunity for staff to develop concepts and have discussions about potential future projects. He stated any future project or program would be fully vetted with the Producers and the Board and the Board would have final approval of any such project or program.

Upon motion by Director Anthony, seconded by Director Sarmiento and carried [4-1], with Director Green voting "No", the Committee recommended that the Board at its July 19 Board meeting: Defer any action on this policy until after the conclusion of IRWD lawsuit.

[Ayes - Anthony, Whitaker, Vanderbilt, Sarmiento /Noes - Green]

ITEMS TO BE AGENDIZED AS MATTERS OF CONSIDERATION AT THE JULY 19 BOARD MEETING

It was agreed to place Item No. 9 as a Matter for Consideration for the July 19 Board meeting.

ADJOURNMENT

There being no further business, the meeting was adjourned at 9:05 a.m.


Cathy Green, Chair