

MINUTES OF BOARD OF DIRECTORS MEETING
WITH WATER ISSUES COMMITTEE
ORANGE COUNTY WATER DISTRICT
July 9, 2014 @ 8 a.m.

Water Issues Committee Chair Director Green 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 Members

Cathy Green
Denis Bilodeau (arrived 8:15 a.m.)
Vincent Sarmiento
Shawn Dewane
Philip Anthony

Alternates

Steve Sheldon (arrived 8:25 a.m.)
Kathryn Barr
Harry Sidhu
Roger Yoh (not present)
Jan Flory (not present)

OCWD Staff

Mike Markus - General Manager
Joel Kuperberg - General Counsel
Judy-Rae Karlson - Assistant District Secretary
Gina Ayala, Jason Dadakis, Bill Dunivin,
Randy Fick, Roy Herndon, John Kennedy,
Sandy Scott Robert, Ben Smith, Mike Wehner,
Marsha Westropp, Greg Woodside

Others

Howard Johnson - Brady & Associates
Paul Shoenberger - Mesa Water District
Skip Griffin - SPI
Peer Swan - IRWD
Keith Lyon - MWDOC
Don Calkins - City of Anaheim
Steve Conklin - Yorba Linda Water District
Ken Vecchiarelli - GSWC
Merle Mosheri - R4RD
Phil Lauri - Mesa Water District
Scott Miller - City of Westminster
Art Valenzuela - City of Tustin

CONSENT CALENDAR

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

[Yes- Green, Sarmiento, Dewane, Anthony, Barr /No-0]

1. Minutes of Previous Meeting

The Minutes of the Water Issues Committee meeting held June 11, 2014 are approved as presented.

2. Advanced Water Quality Assurance Laboratory HVAC Modifications Project, Contract No. LAB 2013-1: Change Orders and Notice of Completion

Recommended for approval at July 16 Board meeting: 1) Authorize an increase of \$14,489 to the project budget, for a total budget of \$149,489; 2) Ratify issuance of Change Order No. 2 to RAN Enterprises, Inc. in the amount of \$2,041; 3) Authorize issuance of Change Order No. 3 to RAN Enterprises, Inc. in the amount of \$18,348; and 4) Accept completion of work and authorize filing a Notice of Completion for Contract LAB-2013-1, Advanced Water Quality Assurance Laboratory Labs 222 & 223 HVAC Modifications Project.

MATTERS FOR CONSIDERATION

Director Bilodeau arrived at 8:15 a.m. during discussion of the following item.

3. Memorandum of Understanding (MOU) with City of Santa Ana for Construction and Operation of Four Injection Wells, Water Supply Pipeline and Discharge Pipeline at Centennial Park

Executive Manager John Kennedy reported that the planning and preliminary design work has begun for the Mid-Basin Injection wells within Centennial Park in the City of Santa Ana. He stated an Memorandum of Understanding (MOU) has been drafted between the District and City of Santa Ana that will facilitate planning, permitting and design of the project that is estimated to create an additional 10,000 acre feet per year of recharge capacity. Mr. Kennedy reviewed the terms and conditions in the MOU and discussed proposed mitigation costs in exchange for the 30 year pipeline and well easements. The Committee then took the following action.

Upon motion by Director Dewane, seconded by Director Sarmiento and carried [5-0], the Committee recommended that the Board at its June 18 Board meeting: Approve and authorize execution of Memorandum of Understanding with the City of Santa Ana for water injection wells at Centennial Park, subject to non-substantive changes approved by the General Manager and District Attorney.

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

Director Sheldon arrived at 8:25 a.m. during discussion of the following item.

4. Amendment to Agreement with Stanford University for Phase 2 Geochemical Research Study

Director of Health and Regulatory Affairs Jason Dadakis reported that arsenic is commonly detected at low levels in groundwater. He advised that Stanford University is conducting geochemical research and has completed Phase I of a study to better understand the potential subsurface mobilization of metals associated with the recharge of GWRS water. Mr. Dadakis stated that arsenic has not been detected in GWRS water so it is blended with imported water at Kraemer and Miller spreading basins to reduce arsenic mobilization. He reviewed the Stanford research study objectives and recommended the Committee approve Phase 2 of the geochemical research study with Stanford University at a cost of \$64,827. The Committee then took the following action.

Upon motion by Director Dewane, seconded by Director Anthony and carried [5-0], the Committee recommended that the Board at its June 18 Board meeting: Authorize issuance of Amendment No. 1 to Agreement No. 0849 with Stanford University for an amount not to exceed \$64,827 for additional geochemical study and extend the end date to December 31, 2015.

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

5. Statewide Groundwater Management Principles

Recharge Planning Manager Adam Hutchinson reviewed current statewide legislation and advised there is no current threat to the District's management of the ground water basin but staff needs to be prepared to address amendments that may change or interfere with District operations. General Counsel Joel Kuperberg advised the recommended policy principles provide guidance as bills pass through the legislative process. Irvine Ranch Water District (IRWD) General Manager Paul Cook stated that IRWD is supportive of the policies as presented by staff. The Committee recommended the Groundwater Management Legislative Policy Principles be adopted and the item be agendized as a Matter for Consideration at the June 18 Board meeting. 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 18 Board meeting agendize as a Matter for Consideration; and adopt the following Groundwater Management Legislative Policy Principles as presented.

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

Groundwater Management Legislative Policy Principles

- 1) Legislation should not interfere with the authority or governance of adjudicated and special act basins.
- 2) Existing laws and court/agency decisions that effectively govern groundwater production and recharge should not be disturbed. The rights of parties to take water pursuant to prior court decisions, decisions of the State Water Resources Control Board, or inter-agency agreements must be protected, and existing legal obligations imposed on parties should remain enforceable.
- 3) Existing groundwater basin management boundaries created through statute or court decision should not be modified, and new groundwater management areas should not be carved out of existing groundwater management plan areas without the approval of the affected groundwater management agency (ies). Similarly, where a statute or a court decree has authorized an entity to manage a groundwater basin, legislation should not create or empower other local entities with duplicative or overlapping authority.
- 4) Local agencies are in the best position to implement sustainable groundwater management. Groundwater management can best be accomplished at the local level - by agencies that have the technical expertise and existing or newly-granted authority to ensure aquifer health is maintained and competing uses balanced.
- 5) Any definition of sustainable groundwater management should allow groundwater managers, including the District, sufficient flexibility to manage groundwater, recognizing the following:
 - a. Sustainability varies as a function of local hydrogeologic conditions, water supply availability, and historic groundwater utilization.
 - b. Sustainable groundwater management can include periods when groundwater withdrawals exceed recharge as long as it causes no long-term negative impacts and there is a commitment to balance pumping over time with natural or artificial replenishment.
- 6) Managed aquifer recharge is a key tool that allows for sustainable groundwater management. As such, groundwater recharge should be recognized as a beneficial use of the water supplies of the state.

6. Seawater Intrusion Prevention Policy

District Chief Hydrogeologist Roy Herndon presented an overview of the District's seawater barrier injection facilities and the network of coastal area monitoring wells. He stated the District would benefit from a seawater intrusion prevention policy that supports the following District programs:

- Effective Barrier Operations
- Barrier Performance Monitoring and Evaluation
- Susceptible Coastal Area Monitoring and Evaluation
- Coastal Groundwater Management

After a brief discussion, the Committee 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 18 Board meeting: Adopt the Seawater Intrusion Prevention Policy as presented.

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

Seawater Intrusion Prevention Policy

The Orange County groundwater basin is a valuable natural resource that must be protected for future generations. Seawater intrusion represents a significant water quality threat to the groundwater basin. The control and prevention of seawater intrusion will continue to be one of the Orange County Water District’s key basin management responsibilities. The District will take actions necessary to:

- Prevent degradation of the quality of the groundwater basin from seawater intrusion;
- Effectively operate and evaluate the performance of the District’s seawater barrier facilities; and
- Adequately identify and track trends in seawater intrusion in susceptible coastal areas and evaluate and act upon this information, as needed, to protect the groundwater basin.

INFORMATIONAL ITEM

7. Accumulated Overdraft and FY14-15 Water Purchases

Mr. Kennedy presented the District’s estimated accumulated overdraft and FY 2014-2015 water purchases. He noted the June 30, 2014 accumulated overdraft will range between 302,000 and 342,000 acre-feet depending upon winter rains and staff is in the process of preparing the year-end report and will discuss accumulated overdraft levels with the Producers. Mr. Kennedy advised the current estimate increases 48,000 acre-feet if Metropolitan Water District (MWD) water from the conjunctive use program storage account is excluded

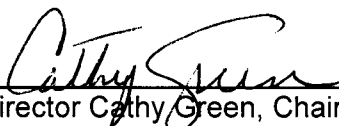
Mr. Kennedy advised the District has budgeted for the purchase of 40,000 acre feet of untreated imported water and an additional 25,000 acre-feet of water using commercial paper debt. He stated that assuming average hydrology, the accumulated overdraft in FY 2014-15 should remain unchanged with the purchase of 65,000 acre-feet of water, however dry conditions may impact water accessibility and water demands.

ITEMS TO BE PLACED ON CONSENT CALENDAR FOR JULY 16 BOARD MEETING

The Committee requested that Items Nos. 2, 3, 4, 6 be placed on the Consent Calendar and Item No. 5, *Statewide Groundwater Management Principles*, be agendized as a Matter for Consideration at the July 16 Board meeting.

ADJOURNMENT

There being no further business, the meeting was adjourned at 9:30 a.m.



 Director Cathy Green, Chair