

MINUTES OF MEETING  
BOARD OF DIRECTORS, ORANGE COUNTY WATER DISTRICT  
October 5, 2016, 5:30 p.m.

President Green called to order the October 5, 2016 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  
Jordan Brandman  
Shawn Dewane  
Jan Flory  
Cathy Green  
Dina Nguyen (not present)  
Roman Reyna  
Stephen Sheldon (not present)  
Roger Yoh

Staff

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

VISITOR PARTICIPATION

There were no persons wishing to address the Board on items not on tonight's Agenda.

CONSENT CALENDAR

The Consent Calendar was approved upon motion by Director Anthony, seconded by Director Bilodeau and carried [8-0] as follows, with Director Brandman abstaining on a portion of Item No. 1, Cash Disbursements due to the Levine Act.

Ayes: Anthony, Bilodeau, Brandman, Dewane, Flory, Green, Reyna, Yoh

Absent: Nguyen, Sheldon

Abstain: Brandman (Item No. 1, check No. 76781 to Townsend Public Affairs)

1. Approval of Cash Disbursements

MOTION NO. 16-130  
APPROVING CASH DISBURSEMENTS

Payment of the bills for the period September 15, 2016 through September 28, 2016 in the total amount of \$5,536,286.91 is ratified and approved.

2. Approval of Minutes of Board Meeting

MOTION NO. 16-131  
APPROVING MINUTES OF BOARD MEETING

The minutes of the Board of Directors meeting held September 7, 2016 are approved as presented.

ITEMS RECOMMENDED FOR APPROVAL AT PROPERTY MANAGEMENT COMMITTEE MEETING HELD SEPTEMBER 23

- 3. Easement Agreement to City of Anaheim for Modification of Electrical Poles and Guy Systems at La Palma Recharge Basin

RESOLUTION NO. 16-10-132  
 APPROVING EASEMENT AGREEMENT TO CITY OF ANAHEIM FOR THE MODIFICATION  
 OF ELECTRICAL POLES AND GUY SYSTEMS  
 AT LA PALMA RECHARGE BASIN

RESOLVED, that the General Manager is authorized to negotiate and execute an Easement Agreement with the City of Anaheim for the relocation of power poles and guy anchor systems at La Palma Recharge Basin; and, upon approval as to form by District General Counsel, its execution and recordation by the District officers is authorized.

- 4. Renewal of Lease to Dan Copp Crushing Corporation

RESOLUTION NO. 16-10-133  
 DIRECTING STAFF TO NEGOTIATE LEASE RENEWAL WITH DAN COPP CRUSHING

Staff is directed to negotiate a lease renewal with Dan Copp Crushing with the assistance of Voit Real Estate, with the Voit fee paid by the Lessee.

ITEM RECOMMENDED FOR APPROVAL AT RETIREMENT COMMITTEE MEETING HELD SEPTEMBER 27

- 5. Amendment to Legal Services Agreement with Trucker Huss Retirement Law Firm

RESOLUTION NO. 16-10-134  
 APPROVING AMENDMENT TO LEGAL SERVICES AGREEMENT WITH  
 TRUCKER HUSS RETIREMENT LAW FIRM

WHEREAS, pursuant to Resolution No. 07-10-135 adopted October 3, 2007, as amended, OCWD entered into a Legal Services Retainer Agreement with Trucker Huss to update the OCWD Money Purchase Retirement Plan documentation; and

WHEREAS, the Retirement Committee has recommended issuance of Amendment No. 3 to such Legal Services Retainer Agreement for an amount not to exceed \$40,000 for legal counsel on issues related to the District's retirement plans;

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby approve such Amendment to the Legal Services Retainer Agreement with Trucker Huss as outlined herein; and, upon approval as to form by District General Counsel, its execution by the District staff is authorized.

6. Single Investor Diversification Letters

MOTION NO. 16-132  
APPROVING DISTRIBUTION OF SINGLE INVESTOR DIVERSIFICATION LETTERS TO  
RETIREMENT PLAN PARTICIPANTS

The distribution of the 457(b) and 401(a) Diversification Letters to all retirement plan participants is hereby authorized.

MATTERS FOR CONSIDERATION

7. Award of Contract No. EW1-2016-1 to Pacific Hydrotech for North Basin Extraction Well EW-1 Connection to Sanitary Sewer Project and Issue Agreement to Butier Engineering for Construction Management Services

District Engineer Chris Olsen advised that a total of four bids were received for construction of the North Basin Extraction Well EW-1 Connection to Sanitary Sewer Project. He noted that Pacific Hydrotech's bid contained an informality in that it failed to include the additional \$25,000 for Addendum No. 1. Mr. Olsen explained that Pacific Hydrotech acknowledged receipt of Addendum No. 1 and has subsequently increased its bid to \$1,306, 740 and remains the low bidder. He stated that staff recommends waiver of the bid informality and award of the contract accordingly. Further, he recommended award of the construction management contract to Butier Engineering for an amount not to exceed \$129,540.

Upon motion by Director Dewane, seconded by Director Anthony, the following resolution was unanimously adopted [8-0].

Ayes: Anthony, Bilodeau, Brandman, Dewane, Flory, Green, Reyna, Yoh

Absent: Nguyen, Sheldon

RESOLUTION NO. 16-10-135  
AWARDING CONTRACT NO. EW1-2016-1, NORTH BASIN EXTRACTION WELL EW-1, TO  
PACIFIC HYDROTECH, AND AUTHORIZING ISSUANCE OF AGREEMENT TO BUTIER  
ENGINEERING FOR CONSTRUCTION MANAGEMENT SERVICES

WHEREAS, a Notice Inviting Bids for Contract No. EW1-2016-1, North Basin Extraction Well EW-1 Connection to Sanitary Sewer Project, was published in *The Orange County Register* on August 26, 2016; and

WHEREAS, Addendum No. 1 to the contract documents was subsequently issued on September 19, 2016 which included revisions to the technical specifications and added \$25,000 for additional paving; and

WHEREAS, the following bids were received and opened on September 27, 2016:

Pacific Hydrotech	\$	1,306,740*
SCW Contracting	\$	1,361,102
Pyramid Builders & Engineering	\$	1,444,000
Cora Constructors	\$	1,502,315

WHEREAS, the District staff has advised that the Pacific Hydrotech's bid contained a bid informality in that it failed to include the additional \$25,000 for Addendum No. 1, and has subsequently increased its bid to \$1,306,740;

WHEREAS, the District staff has recommended waiver of this bid informality and award the contract accordingly to the lowest responsive bidder, Pacific Hydrotech, in the amount of \$1,306,740;

WHEREAS, the District staff has further recommended issuance of an Agreement to Butier Engineering for an amount not to exceed \$129,540 for construction management services;

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby resolve as follows:

Section 1: The Affidavit of Publication of Notice Inviting Bids for Contract No. EW1-2016-1 is received and filed.

Section 2: The bid informality of Pacific Hydrotech is waived and its lowest responsive bid in the amount of \$1,306,740 is accepted and all other bids are rejected.

Section 3: The District officers are authorized to execute an Agreement on behalf of the District, in a form heretofore approved by this Board with Pacific Hydrotech pursuant to the terms of its proposal.

Section 4: The District General Counsel is authorized to approve the Performance and Labor and Materials Bonds submitted by said contractor on behalf of the District, provided the bonds comply with the requirements of the bid proposal.

Section 5: The District staff is directed to notify the unsuccessful bidder of the action taken herein and, upon execution of the agreement by the successful bidder, to return to the unsuccessful bidders their Bid Bonds.

Section 6: An Agreement to Butier Engineering is authorized for an amount not to exceed \$129,540 for construction management services for Contract No. EW1-2016-1.

#### 8. Cadiz Valley Water Conservation Recovery and Storage Project

Executive Director John Kennedy advised that the Cadiz Valley Water Conservation Recovery and Storage Project (CADIZ) proposes to pump groundwater located in aquifers underneath dry lakes in the Mohave Desert into the Metropolitan Water District (MWD) Colorado River Aqueduct (CRA). He stated that a pipeline from the CADIZ property to the CRA needs to be federally permitted and

then constructed, and that CADIZ needs to obtain MWD approval to allow the water to be wheeled through its system to interested participants.

Mr. Kennedy stated that CADIZ is seeking to secure agreements to sell approximately 50,000 acre-feet per year of water, with about 5,000 to 10,000 acre-feet per year available to OCWD. He noted that in 2016, the total cost of the water including MWD's current wheeling fee is approximately \$1,518/acre-foot. Mr. Kennedy reviewed the proposed CADIZ Letter of Intent (LOI) and advised that staff has concerns with OCWD's limited recharge capacity and the CADIZ water would compete for recharge capacity with other District projects and programs. He stressed that OCWD would want to consider maximizing purchases of water from the MWD Carson project should that project move forward. For these reasons, he stated that staff does not recommend moving forward with the proposed LOI to participate in this project.

The following individuals then addressed the Board and spoke in favor of moving forward with the purchase of CADIZ water due to: benefits it would provide to Southern California in the form of a reliable, drought-proof water source, and the creation of jobs.

Saul Renteria, Southern California District Council of Laborers  
 Wayne Brown, South Orange County Economic Coalition  
 Adrian A. Esparza, Labors SCDCCL  
 Alex Artiaga, LIUNA Laborers Local 783  
 Andrew Waterbury, Engineering Contractors Association  
 Jim Leach, Santa Margarita Water District  
 Steve Lamotte, Building Industry Association of Orange County  
 Armando Esparza, Laborer's Union

The following individuals addressed the Board and expressed opposition to moving forward with the purchase of CADIZ water due to: harmful environmental impacts, financial instability of the CADIZ organization, and the inability of CADIZ to obtain necessary permits:

Debbie Cook, Former Mayor of Huntington Beach (provided letter to the Board)  
 Craig Innis, Santa Margarita Water District rate payer  
 Conner Everets, Southern California Watershed Alliance  
 Ray Heimstra, Coastkeeper  
 Milt Dardis, R4RD, (provided letter to the Board)

CADIZ CEO & President Scott Slater distributed a letter to the Board outlining the terms of the proposed LOI, noting it was nonbinding and has a negotiable term with no upfront deposit required. He stressed that the project has no adverse environmental impacts, and that none of the groundwater pumped is impacted by drought or climate change.

The Board had several questions regarding the proposed project. Director Bilodeau requested clarity on MWD wheeling issues, and how participation in this project would affect OCWD cash flow. He noted the need for an indemnification clause on future litigation and requested an update of project participants. The Board requested clarification on the letter of opposition to the project from Senator

Boxer, and it was agreed to refer this item to the Water Issues Committee for further discussion after two pending federal bills the District is following have been resolved in Washington DC.

MOTION NO. 16-133  
REFERRING CADIZ VALLEY WATER CONSERVATION RECOVERY AND STORAGE  
PROJECT TO WATER ISSUES COMMITTEE FOR FURTHER DISCUSSION

Upon motion by Director Bilodeau, seconded by Director Brandman and carried [8-0], consideration of participation in the Cadiz Valley Water Conservation Recovery and Storage Project (CADIZ) is hereby referred to the December or January Water Issues Committee meeting.

Ayes: Anthony, Bilodeau, Brandman, Dewane, Flory, Green, Reyna, Yoh

Absent: Nguyen, Sheldon

INFORMATIONAL ITEMS

9. Construction Projects Update

District Engineer Chris Olson updated the Board on current OCWD construction projects.

10. Santa Ana Watershed Project Authority Update

Director Anthony provided a brief update on SAWPA activities.

11. COMMITTEE/CONFERENCE/MEETING REPORTS

The Board reported on the following Committee meetings and noted the Minutes/Action Agendas were included in tonight's Board packet.

August 10 – Water Issues Committee

August 11 – Administration/Finance Issues Committee

VERBAL REPORTS

President Green announced that OCWD was recently given two awards: 1) Project Excellent Award from the Water Education Federation for the GWRS Initial Expansion project; and 2) Water Reuse and Conservation Award from the International Desalination Association.

12. Closed Session

The Board adjourned to Closed Session at 7:33 p.m. as follows:

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

[Government Code Section 54956.8]

Real property located at: 14995 River Road, Corona, CA 92880

OCWD negotiators: Bruce Dosier

Negotiating party: Elaine Raahauge d.b.a. Mike Raahauge Shooting Enterprises

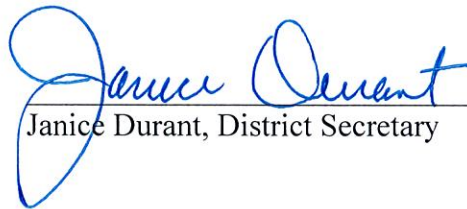
Under negotiation: Price and Terms

RECONVENE IN OPEN SESSION

The Board reconvened in Open Session at 8:14 p.m. whereupon General Counsel Kuperberg advised that no reportable action took place in Closed Session.

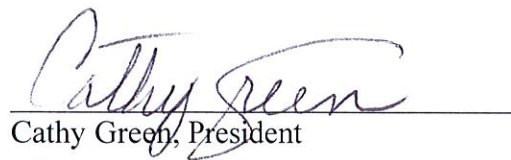
ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 8:14 p.m.



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Janice Durant, District Secretary



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Cathy Green, President