

MINUTES OF REGULAR MEETING  
BOARD OF DIRECTORS, ORANGE COUNTY WATER DISTRICT  
February 21, 2018, 5:30 p.m.

Vice President Dewane called to order the February 21, 2018 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 (absent)  
Shawn Dewane  
Cathy Green  
Dina Nguyen (arrived 5:48 p.m.)  
Vicente Sarmiento  
Stephen Sheldon  
James Vanderbilt (arrived 5:48 p.m.)  
Bruce Whitaker  
Roger Yoh

Staff

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

1. Employee of the Year Award

Employee of the Year Ramon Camacho was not present at tonight's meeting to receive his award.

CONSENT CALENDAR

Director Green recorded a "No" vote on Item No. 9, *Consideration of MOU with Moulton Niguel Water District*. The Consent Calendar was then approved upon motion by Director Green, seconded by Director Whitaker and carried [7-0] as follows:

Ayes: Anthony, Dewane, Green, Sarmiento, Sheldon, Whitaker, Yoh  
Absent: Bilodeau, Nguyen, Vanderbilt  
Noes: Green (Item No. 9.)

2. Approval of Cash Disbursements

MOTION NO. 18-13  
APPROVING CASH DISBURSEMENTS

Payment of bills for the period February 1, 2018 through February 14, 2018 in the total amount of \$51,096,370.50 is ratified and approved.

- 3. 2016-2017 Engineer’s Report on Groundwater Conditions, Water Supply and Basin Utilization
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MOTION NO. 18-14  
 RECEIVING AND FILING 2016-2017 ENGINEER’S REPORT ON GROUNDWATER  
 CONDITIONS, WATER SUPPLY AND BASIN UTILIZATION  
 AND SCHEDULING PUBLIC HEARINGS

The draft 2016-17 Engineer’s Report is hereby received and filed, and public hearings are scheduled for March 21, 2018 to present the Report’s findings and on April 18, 2018 to consider establishing the Replenishment Assessment, Basin Equity Assessment and Basin Production Percentage for the 2018-19 water year.

ITEMS RECOMMENDED FOR APPROVAL AT WATER ISSUES COMMITTEE MEETING  
 HELD FEBRUARY 14, 2018

- 4. Contract MBI-2017-2, SAR-13 Monitoring Well At Heritage Museum – Notice of Completion
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RESOLUTION NO. 18-2-10  
 ACCEPTING COMPLETION OF CONTRACT NO. MBI-2017-2, SAR-13 MONITORING  
 WELL AT HERITAGE MUSEUM (BEST DRILLING AND PUMP, INC.)

WHEREAS, the District staff has submitted its report that Best Drilling and Pump, Inc. has completed work under Contract No. MBI- 2017-2, SAR-13 Monitoring Well at Heritage Museum; and

WHEREAS, staff has advised of issuance of Change Orders No. 2, 3 and 4 to Best Drilling and Pump, Inc. totaling an OCWD credit amount of \$28,950.66 for alternative water supply, additional electrical work, and bid item adjustments; and

WHEREAS, staff has recommended that the District accept completion of said work and that a Notice of Completion be filed for recordation and the balance of payment be made, pursuant to the terms and conditions of such contract;

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

Section 1: Issuance of Change Orders No. 2, 3 and 4 to Best Drilling and Pump, Inc. totaling an OCWD credit amount of \$28,950.66 is authorized for alternative water supply, additional electrical work, and bid item adjustments.

Section 2: Work under such contract is accepted as complete, and staff is authorized and directed to execute a Notice of Completion and record said Notice in the Office of the County Recorder.

Section 3: Upon expiration of the interim lien period, providing no liens have been filed, payment of the balance due under such contract shall be made.

- 5. Contract No. SAR-2018-1: Upper and Lower Five Coves Rehabilitation Project-Notice Inviting Bids
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MOTION NO. 18-15  
 AUTHORIZING PUBLICATION OF NOTICE INVITING BIDS FOR CONTRACT  
 NO. SAR-2018-1: UPPER AND LOWER FIVE COVES REHABILITATION PROJECT

Publication of a Notice Inviting Bids is authorized for Contract No. SAR-2018-1, Upper and Lower Five Coves Rehabilitation Project.

- 6. Amendment to Agreement with James Pike for Prado Vireo Monitoring

RESOLUTION NO. 18-2-11  
 APPROVING AMENDMENT TO AGREEMENT WITH JAMES PIKE FOR  
 PRADO VIREO MONITORING

WHEREAS, pursuant to Resolution No. 10-2-23 adopted February 17, 2010, as subsequently modified, OCWD authorized Agreement Number 0637 with James Pike for vireo and wildlife monitoring and services in the Prado Basin; and

WHEREAS, the Water Issues Committee of this Board has recommended approval of Amendment No. 3 to such Agreement to extend the termination date to December 31, 2019 and increase the not-to-exceed reimbursement amount to \$130,000 over a two-year period;

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby approve the aforementioned Amendment to such Agreement with James Pike; and, upon approval as to form, its execution its execution by the District officers is authorized.

- 7. Contract No. TAL-2018-1: Talbert Barrier Well Redevelopment –Publication of Notice Inviting Bids
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MOTION NO. 18-16  
 AUTHORIZING PUBLICATION OF NOTICE INVITING BIDS FOR CONTRACT  
 NO. TAL-2018-1: TALBERT BARRIER WELL REDEVELOPMENT

Publication of a Notice Inviting Bids is authorized for Contract No. TAL-2018-1, 2017-18 Talbert Barrier Well Redevelopment Project.

8. Sunset Gap Seawater Intrusion Investigation: Construction of OCWD BS13 and OCWD-BS24 Monitoring Well Clusters

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RESOLUTION NO. 18-2-12

APPROVING PROPOSED CONSTRUCTION AND REVISED PROJECT BUDGET OF OCWD-BS13 AND OCWD-BS24 MONITORING WELL CLUSTERS AND REPAIRS TO THE BOLSA CHICA FLOOD CONTROL LEVEE, AUTHORIZING REQUEST FOR PROPOSALS FOR INSPECTION SERVICES, AND ADOPTING FINAL INITIAL STUDY/MITIGATED NEGATIVE DECLARATION FOR CONSTRUCTION OF OCWD-BS13 AND OCWD-BS24 MONITORING WELL CLUSTERS AND REPAIRS TO THE BOLSA CHICA FLOOD CONTROL LEVEE

WHEREAS, construction of multi-depth monitoring wells OCWD-BS14, OCWD-BS17, OCWD-BS21, and OCWD-BS22 and has been completed and staff has proposed construction of OCWD-BS13 and OCWD-BS24 monitoring well clusters and repairs to the Bolsa Chica Flood Control Channel; and

WHEREAS, the construction of OCWD-BS13 and OCWD-BS24 monitoring well clusters would involve the construction of 11 new monitoring wells at two locations within the Naval Weapons Station Seal Beach, and repairs to the Bolsa Chica Flood Control Channel would involve remedial grading operations to repair the north slope of the Bolsa Chica Flood Control Levee within the Naval Weapons Station Seal Beach; and

WHEREAS, staff requests authorization of a project budget increase of \$1,648,771 to establish a revised project budget of \$4,054,711 for construction services for OCWD-BS13 and OCWD-BS24 monitoring well clusters and repairs to the Bolsa Chica Flood Control Channel; and

WHEREAS, staff requests authorization to issue a Request for Proposals for inspection services during the construction of the OCWD-BS13 and OCWD-BS24 monitoring well clusters; and

WHEREAS, staff requests authorization to issue the Notice Inviting Bids for construction of the OCWD-BS13 and OCWD-BS24 monitoring well clusters; and

WHEREAS, staff requests authorization to issue the Notice Inviting Bids for repair of the Bolsa Chica Flood Control Channel; and

WHEREAS, the staff of the District has undertaken preparation of an Initial Study/Mitigated Negative Declaration in accordance with guidelines, established under Article VI of the California Environmental Quality Act (CEQA) Cal. Admin. Code Section 15000, et. seq., on the potential environmental impacts associated with the construction and operation of OCWD-BS13 and OCWD-BS24 monitoring well clusters; and proposed repairs to the Bolsa Chica Flood Control Channel Levee; and

WHEREAS, such Initial Study/Mitigated Negative Declaration has determined that with the incorporation of mitigation measures, potentially significant impacts to the environment would be reduced to a level that would be less than significant; and

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

Section 1: The Board of Directors does hereby find that:

- i) The Initial Study identifies potentially significant effects to the environment, but (A) mitigation measures proposed by the District have been incorporated into the project which would avoid the effect or mitigate the effects to a point where clearly no significant effect on the environment would occur, and (B) there is no substantial evidence, in light of the whole record before the lead agency, that the project, with mitigation measures, may have a significant effect on the environment;
- ii) The Initial Study/Mitigated Negative Declaration reflects the independent judgment and analysis of the Board of Directors of the District, as the lead agency for the project; and
- iii) Prior to approving the construction and operation of OCWD-BS13 and OCWD-BS24 well clusters; and proposed repairs to the Bolsa Chica Flood Control Channel Levee, the Board of Directors of the District has considered the Initial Study/Mitigated Negative Declaration together with any comments received during the public review process, and any responses to such comments.

Section 2: The Final Initial Study/Mitigated Negative Declaration and associated Mitigated Monitoring and Reporting Program for the OCWD-BS13, OCWD-BS24 Monitoring Well Clusters and Bolsa Chica Flood Control Channel Levee Repair Project are hereby adopted.

Section 3: The proposed construction OCWD-BS13 and OCWD-BS24 monitoring well clusters and proposed repairs to the Bolsa Chica Flood Control Levee are hereby approved.

Section 4: The request to increase the project budget by \$1,648,771 and establish a revised project budget of \$4,054,711 for the construction and inspection services for OCWD-BS13 and OCWD-BS24 Monitoring Well Clusters and Repair of the Bolsa Chica Flood Control Channel is hereby approved.

Section 5: The request to authorize issuance of a Request for Proposals for inspection services for the construction of OCWD-BS13 and OCWD-BS24 monitoring well clusters is hereby approved.

Section 6: The request to issue the Notice Inviting Bids for construction of the OCWD-BS13 and OCWD-BS24 monitoring well clusters is hereby approved.

Section 7: The request to issue the Notice Inviting Bids for Repair of the Bolsa Chica Flood Control Channel is hereby approved.

Section 8: Staff is authorized and directed to file a Notice of Determination.

9. Consideration of MOU with Moulton Niguel Water District to Study Potential South Orange County Pilot Water Storage and Exchange Program

MOTION NO. 18-17

DIRECTING STAFF IN CONNECTION WITH CONSIDERATION OF MOU WITH MOULTON NIGUEL WATER DISTRICT TO STUDY A POTENTIAL SOUTH ORANGE COUNTY PILOT WATER STORAGE AND EXCHANGE PROGRAM

Staff is directed to update the 2006 Evaluation of Orange County Groundwater Basin Storage and Operational Strategy Report and address the issues provided in the Groundwater Producers letters (on file at the District office).

ITEMS RECOMMENDED FOR APPROVAL AT ADMINISTRATION AND FINANCE ISSUES COMMITTEE MEETING HELD FEBRUARY 15, 2018

10. Monthly Cash Control Report

MOTION NO. 18-18

RECEIVING AND FILING CASH CONTROL REPORTS

The Summary Cash and Cash Equivalents Control Reports dated January 31, 2018 are hereby received and filed.

11. Investment Portfolio Holdings Reports

MOTION NO. 18-19

RECEIVING AND FILING INVESTMENT PORTFOLIO HOLDINGS REPORTS

The Investment Portfolio Holdings Reports dated January 31, 2018 are hereby received and filed.

12. Add Funds for GASB Actuarial Study

MOTION NO. 18-20

APPROVING ADDITIONAL FUNDS FOR GASB ACTUARIAL STUDY

The addition of \$13,500 to the Human Resources General Fund budget for the Governmental Accounting Standards Board (GASB) Actuarial Study is authorized.

13. Participation in 2018 Orange County Science Fair

MOTION NO. 18-21

AUTHORIZING PARTICIPATION IN 2018 ORANGE COUNTY SCIENCE FAIR

Financial participation in an amount of \$3,000 for water-related student projects at the 2018 Orange County Science and Engineering Fair is authorized.

14. Agreement to White Nelson Diehl Evans LLP for Agreed-Upon Procedures in Addition to the Annual Audit

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RESOLUTION NO. 18-2-13  
APPROVING AGREEMENT TO WHITE NELSON DIEHL EVANS LLP FOR AGREED-UPON PROCEDURES IN ADDITION TO THE ANNUAL AUDIT

RESOLVED, that execution of an Agreement is authorized to White Nelson Diehl Evans, LLP for an amount not to exceed \$14,900 plus all out-of-pocket expenditures to provide consulting services for the Agreed Upon Procedures in addition to the annual audit; and, upon approval as to form, its execution its execution by the District officers is authorized.

15. Emergency Response Plan Update

RESOLUTION NO. 18-2-14  
APPROVING AGREEMENT TO CLARIS STRATEGY  
FOR EMERGENCY RESPONSE PLAN UPDATE

RESOLVED, that issuance of an Agreement to Claris Strategy Consulting Services for an amount not to exceed \$62,900; and, upon approval as to form, its execution its execution by the District officers is authorized.

16. On-Call Environmental Services Agreement with Environmental Advisors

RESOLUTION NO. 18-2-15  
APPROVING ON-CALL ENVIRONMENTAL SERVICES AGREEMENT WITH  
ENVIRONMENTAL ADVISORS

RESOLVED, that termination of Agreement No. 0864 with Environmental Advisors for on-call environmental services is authorized, and issuance of a new agreement with the same terms and conditions is authorized to Sagecrest Planning + Environmental for on-call environmental services; and, upon approval as to form, its execution by the District officers is authorized.

17. Purchase John Deere 300 GLC Excavator from Coastline Equipment

RESOLUTION NO. 18-2-16  
APPROVING PURCHASE OF JOHN DEERE 300 GLC EXCAVATOR  
FROM COASTLINE EQUIPMENT

RESOLVED, that issuance of a Purchase Order is authorized to Coastline Equipment for \$394,460 for purchase of a John Deere 300 GLC Super Long Reach Excavator and placement of TL-32 on the surplus equipment list.

18. IBM Maximo Software Subscription and Support Renewal

RESOLUTION NO. 18-2-17  
AUTHORIZING ISSUANCE OF PURCHASE ORDER TO IBM MAXIMO FOR SOFTWARE  
SUBSCRIPTION AND SUPPORT RENEWAL

RESOLVED, that issuance of a Purchase Order is authorized to IBM Maximo for Software Subscription and Support renewal in the amount of \$59,800 for system updates commencing April 1, 2018 through March 31, 2019.

19. Application Resolution for Water Infrastructure Finance and Innovation Act Loan for the GWR Final Expansion Project

RESOLUTION NO. 18-2-18  
AUTHORIZING SUBMITAL OF ENVIRONMENTAL PROTECTION AGENCY WATER  
INFRASTRUCTURE FINANCE AND INNOVATION ACT APPLICATION  
FOR THE GROUNDWATER REPLENISHMENT SYSTEM FINAL EXPANSION PROJECT

RESOLVED, by the Board of Directors of the Orange County Water District that the General Manager is hereby authorized and directed to submit on behalf of the Orange County Water District, an Environmental Protection Agency (EPA) Water Infrastructure Finance and Innovation Act (WIFIA) \$123,872,000 loan application which will be used to partially fund the design and construction of the Groundwater Replenishment System Final Expansion Project.

RESOLVED, by the Board of Directors of the Orange County Water District that the General Manager is hereby authorized and directed to submit a \$100,000 non-refundable EPA WIFIA application fee.

RESOLVED FURTHER, that the Orange County Water District hereby agrees and further does authorize the General Manager to provide the assurances, certifications, and commitments required for any such financial assistance application, and the execution of a financial assistance loan agreement from the EPA and any amendments or changes thereto.

RESOLVED FURTHER, that the General Manager is designated to represent the Orange County Water District in carrying out the Orange County Water District's responsibilities under the financing agreement, including certifying disbursement requests on behalf of the Orange County Water District and compliance with applicable federal laws.



MOTION NO. 18-22  
 AUTHORIZING OTHER ACTIONS IN CONNECTION WITH ENVIRONMENTAL  
 PROTECTION AGENCY WATER INFRASTRUCTURE FINANCE AND INNOVATION  
 ACT APPLICATION FOR GWRS FINAL EXPANSION PROJECT

Payment of the loan application fee and Environmental Protection Agency consultant costs to the Environmental Protection Agency in the amount not to exceed \$450,000 is authorized; and payment for District consultants is authorized in an amount not to exceed \$260,000 based on representation of timing of the transaction made by the Environmental Protection Agency.

Directors Nguyen and Vanderbilt arrived during staff's presentation of the following item.

INFORMATIONAL ITEMS

20. Water Quality Considerations for the GWRS Final Expansion Project

Principal Engineer Sandy-Scott Roberts reported that in order to produce 130 mgd of purified water through the GWRS treatment facility, sufficient secondary effluent from Orange County Sanitation District (OCSD) is required for source water. She stated this secondary effluent source water for GWRS must be received from OCSD's Treatment Plant 2, located in the City of Huntington Beach, approximately 4 miles from the GWRS facility. Therefore, in addition to expanding the GWRS treatment facility from 100 MGD to 130 MGD production capacity, Ms. Scott-Roberts stated conveyance facilities must be constructed to deliver the additional secondary effluent. She also reported that since the commission of the GWRS facility in 2008, there have been advances in microfiltration (MF) membrane technology, noting polyvinylidene fluoride (PVDF) membranes have been increasing in popularity in the water treatment industry due to their resistance to chlorine, mechanical strength and high flux capabilities. Ms. Scott-Roberts advised that the OCWD Research & Development (R&D) Department has been running pilot studies to test various PVDF membranes and PP membranes on current water quality and on the Plant No. 2 effluent. The results from these pilot studies were provided to the design consultant who reviewed study data and presented OCWD with a comparison of three different MF membrane treatment scenarios. The evaluation compared the three MF membrane options on infrastructure improvements; operational costs; and replacement costs for implementation of that particular membrane for the GWRSFE project. She stated the recommended membrane system would be incorporated into the final design documents for the GWRSFE Project.

21. Groundwater Producer Participation in Fy 2017-18 In-Lieu Program

Mr. Markus announced that the Metropolitan Water District has ceased deliveries of water under this program and that the program has been suspended.

22. Santa Ana Watershed Project Authority Activities

There was no discussion of this item.

23. Water Resources Summary

There was no discussion of this item.

24. COMMITTEE/CONFERENCE/MEETING REPORTS

The Board reported on the following Committee meetings, noting the minutes/action agendas were included in tonight's packet.

- February 08 - Communication and Legislative Liaison Committee
- February 14 - Water Issues Committee
- February 15 - Administration and Finance Issues Committee

25. VERBAL REPORTS

Directors Green, Whitaker, Bilodeau, Dewane and Yoh reported on their attendance at the recent GWRs 10<sup>th</sup> Anniversary celebration. It was noted that the District set a Guinness World Record for the most wastewater recycled to drinking water in 24 hours. Director Sarmiento thanked staff for attending the Santa Ana Rotary Club meeting.

26. ADJOURNMENT TO CLOSED SESSION

The Board adjourned to Closed Session at 6:10 p.m. as follows:

- CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – [Government Code Section 54956.9(a)] – 2 cases:
  - 1) *OCWD v. Unocal Corporation, et al* (MTBE Litigation) Superior Court Case No. 03CC00176
  - 2) *OCWD v. Sabic Innovative plastics, LLC, et al* (South Basin Litigation) Superior Court Case No. 03CC 00078246

RECONVENE IN OPEN SESSION

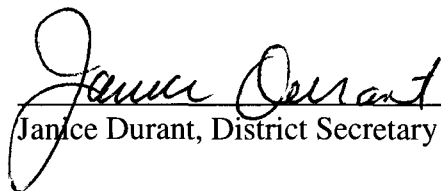
The Board reconvened in Open Session at 6:54 p.m. whereupon General Counsel Kuperberg announced that no reportable action took place in Closed Session.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 6:54 p.m.



Denis Bilodeau, President

  
Janice Durant, District Secretary