

MINUTES OF BOARD OF DIRECTORS MEETING  
WITH WATER ISSUES COMMITTEE  
ORANGE COUNTY WATER DISTRICT  
March 12, 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  
Vincent Sarmiento  
Shawn Dewane  
Philip Anthony

Alternates

Steve Sheldon (arrived 8:05 a.m.)  
Kathryn Barr  
Harry Sidhu (arrived 8:15 a.m.)  
Roger Yoh (not present)  
Jan Flory

OCWD Staff

Mike Markus - General Manager  
Joel Kuperberg - General Counsel  
Judy-Rae Karlsen - Assistant District Secretary  
Paula Bouyounes, Jason Dadakis, Bill Dunivin,  
Randy Fick, Kevin Greene, Roy Herndon,  
Bonnie Howard, Bill Hunt, Adam Hutchinson,  
John Kennedy, Chris Olsen, Mehul Patel,  
Don Phipps, Sandy Scott Robert, Vishav Sharma,  
Mike Wehner, Marsha Westropp, Greg Woodside

Others

Don Calkins, Rick Shintaku – City of Anaheim  
Paul Schoenberger– Mesa Water District  
Howard Johnson – Brady  
Robert Hanford – Golden State Water Company  
Skip Griffin – SPI  
Keith Lyon – MWDOC  
Nabil Saba – City of Santa Ana  
Steve Conklin – Yorba Linda Water District

**CONSENT CALENDAR**

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

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

1. Minutes of Previous Meeting

**The Minutes of the Water Issues Committee meeting held February 12, 2014 are approved as presented.**

2. Ratify Change Order and Authorize Filing of Notice of Completion for Burriss Pump Station Project (Contract No. B-2013-1:Phase 1 Construction)

**Recommended for approval at March 19 Board meeting: Ratify Change Order No. 1 to Pacific Hydrotech Corp for Contract No. B-2013-1, Burriss Pump Station Project - Phase 1 in the amount of \$51,250, and accept completion of work and authorize filing of Notice of Completion.**

3. Ratify Modification No. 5 to License Agreement with Department of the Navy for Sunset Gap Seawater Intrusion Investigation

**Recommended for approval at March 19 Board meeting: Ratify execution of Modification No. 5 to License Agreement #N6871193RP03P54 with the Department of the Navy for the installation and monitoring of six new seawater intrusion monitoring wells and the destruction of one existing monitoring well at the Naval Weapons Station in Seal Beach.**

4. Service Agreement to Hargis + Associates, Inc. for Field Inspection Services, East Newport Mesa Groundwater Investigation Project

**Recommended for approval at March 19 Board meeting: Authorize issuance of a Service Agreement to Hargis + Associates, Inc. for an amount not to exceed \$85,904 for field inspection services during the East Newport Mesa monitoring well construction and irrigation well conversion.**

5. Memorandum of Understanding with California State University, Fullerton (CSUF) Auxiliary Services Corporation for the Continued Operation of the Center for Demographic Research

**Recommended for approval at March 19 Board meeting: 1) Authorize execution of MOU with California State University, Fullerton (CSUF) Auxiliary Services Corporation for the Continued Operation of the Center for Demographic Research renewing commitment to annual financial sponsorship for the period of July 1, 2014-June 30, 2015; and 2) Authorize payment in the amount of \$39,961 to CSUF Auxiliary Services Corporation, to be invoiced on a quarterly basis.**

6. Irvine Lake Use Agreement for Quagga Mussel Research Project

**Recommended for approval at March 19 Board meeting: Authorize execution of the Irvine Lake Use Agreement with Serrano Water District for the period of March 1, 2014 – December 31, 2014 that allows District staff to access specified areas of Santiago Reservoir known as “Irvine Lake”, for quagga mussel antifouling research.**

7. Prado Basin Sediment Management Demonstration Project: Administrative Fee to US Army Corps of Engineers

**Recommended for approval at March 19 Board meeting: Authorize payment to the US Army Corps of Engineers in the amount of \$6,000 for administrative fees associated with the Prado Basin Sediment Management Demonstration Project.**

8. Request for Proposals for La Palma Recharge Basin Design

**Recommended for approval at March 19 Board meeting: Authorize issuance of a Request for Proposals for the design of La Palma Recharge Basin.**

9. Amendment to Agreement With Photobob/Bob Naik Photography for GWRS Initial Expansion Web Camera

**Recommended for approval at March 19 Board meeting: Authorize issuance of Amendment No.1 to Agreement No. 0804 with PhotoBob/Bob Naik Photography in the amount of \$9,700 for the continuation of web camera services to videotape the construction of the GWRS Initial Expansion project.**

10. Agreement to FS Construction for Expansion of Prado Wetlands Equipment Yard and Increased Budget

**Recommended for approval at March 19 Board meeting: 1) Authorize issuance of Agreement to FS Construction for an amount not to exceed \$23,000 for construction of a concrete slab; and 2) Authorize increasing the project budget to \$75,000.**

## MATTERS FOR CONSIDERATION

Director Sheldon arrived at 8:05 a.m. and Director Sidhu arrived at 8:15 a.m. during the following discussion.

### 11. Agreement to Cora Constructors, Inc. for MBI-2014-1: Demonstration Mid-Basin Injection Well Project, Well Equipping Phase

Assistant District Engineer Chris Olsen reviewed the Demonstration Mid Basin Injection Well Project and highlighted the current well equipping phase of the project. He advised that staff published a Notice Inviting Bids and staff received a total of nine bids on February 19, 2014. Mr. Olsen advised that staff evaluated the proposals and recommends award of Contract MBI-2014-1 to the lowest responsive bidder, Cora Constructors, Inc., in the amount of \$1,988,000. He reported that during the staff evaluation it was determined that Schultz Mechanical manipulated the bid forms and therefore rendered their bid non-responsive according to the contract documents. Mr. Olsen also reported that Environmental Construction, Inc. requested withdrawal of their bid due to an accounting error that caused the total bid amount to be significantly less than was intended. He reminded the Committee that the Phase II contract known as Contract MBI-2012-1, was originally bid in 2013; however, the bids were rejected at the September 18, 2013 Board meeting and Mr. Olsen reported that staff was directed to redesign and rebid the project. The Committee then took the following action.

**Upon motion by Director Anthony, seconded by Director Sarmiento and carried [5-0], the Committee recommended that the Board at its March 19 Board meeting: 1) Receive and file Affidavit of Publication of Notice Inviting Bids for Contract MBI-2014-1, Demonstration Mid-Basin Injection Well Project, Well Equipping Phase; 2) Reject non-responsive bid from Schultz Mechanical Contractors, Inc. ; 3) Approve request for withdrawal of bid by Environmental Construction, Inc. without penalty; and 4) Accept bid and award contract to the lowest responsive bidder Cora Constructors, Inc. in the amount of \$1,988,000.**

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

### 12. Proposed Fiscal Year 2014-15 Water Purchase Budget

Executive Director John Kennedy gave a detailed presentation on the proposed water purchase budget for Fiscal Year 2014-2015. He stated that the Fiscal Year 2014-15 Water Budget is projected to be \$26.3 million that will purchase 42,000 acre-feet of water with the largest expense being the purchase of 40,000 acre-feet of Metropolitan Water District (MWD) untreated full service water to help support the recommended 72% Basin Production Percentage. Mr. Kennedy advised that the District will consider issuing approximately \$16.7 million in Commercial Paper debt to purchase an extra 25,000 acre-feet of MWD water to assist with refilling the groundwater basin. He reported the groundwater basin's accumulated overdraft at the beginning of this fiscal year was 242,000 acre-feet and is projected to be 322,000 acre-feet by June 30, 2014; however the overdraft may increase another 48,000 acre-feet if the Metropolitan Water District conjunctive use program (CUP) storage account is withdrawn. Mr. Kennedy noted that MWD has expressed an interest in withdrawing 22,000 acre feet of water from the CUP account. He advised that MWD has asked the District to consider swapping the CUP stored water for the water that the District will purchase and recharge into the groundwater basin. Mr. Kennedy advised the proposed swap is not a cost neutral proposition and a further cost benefit analysis will be conducted by staff. The Committee discussed the proposed water purchase budget, the proposed 72% BPP, the current overdraft and the MWD CUP program swap option.

13. Payment to San Bernardino Valley Municipal Water District for District's Cost Share of Santa Ana River Watermaster Action Team Evaluation

Executive Director Greg Woodside reported that the Santa Ana River Watermaster Action Team is comprised of OCWD, Western Municipal Water District (WMWD), Inland Empire Utilities Agency (IEUA), San Bernardino Valley Municipal Water District (Valley) and Eastern Municipal Water District (EMWD). He noted the group explores potential new large-scale water supply reliability, water use efficiency, environmental education, and environmental projects for the watershed; and the team evaluates project and concepts that are developed to request grant funding through Round 3 of Proposition 84. Mr. Woodside advised the SAWA action team utilizes Dudek consulting resources to assist with the evaluation process and the group shares the payment for expenses and the District's portion of the payment is \$36,238. The Committee then took the following action.

**Upon motion by Director Anthony, seconded by Director Sarmiento and carried [5-0], the Committee recommended that the Board at its March 19 Board meeting: Authorize payment of \$36,238 to the San Bernardino Valley Municipal Water District for the District's cost share in the Santa Ana River Watermaster Action Team evaluation of watershed-scale conjunctive use projects and water use efficiency.**

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

#### INFORMATIONAL ITEMS

14. The Bay Delta Conservation Plan (BDCP) and the Draft Environmental Impact Report/ Environmental Impact Statement (DEIR/EIS) Update

Mr. Woodside reported the Bay Delta Conservation Plan and the environmental review documents are available for public review with a comment period until April 14, 2014. He advised the plan outlines nineteen alternative actions and the Draft Environmental Impact Report/ Environmental Impact Statement (DEIR/EIS) update evaluates potential environmental impacts of these alternatives. Mr. Woodside reported that staff has not identified issues related to the groundwater management in the Draft EIR/EIS that need to be commented on during the environmental review process.

15. OCTA Grant Funding for the Fletcher Basin Project

Mr. Olsen gave a brief update on grant funding for the Fletcher Basin Project. He advised the design phase is complete and the project is now ready for construction. Mr. Olsen stated that staff applied for Orange County Transportation Authority (OCTA) funding for this project and the OCTA Committee has recommended the Fletcher Basin Project receive \$2.5 million in grant funding. He reminded the Committee there was an Agreement with the Orange County Flood Control District (OCFCD) to jointly construct improvements to Fletcher Basin for both flood control and groundwater recharge purposes.

#### DETERMINATION OF ADDITIONAL ITEMS TO BE PLACED ON CONSENT CALENDAR FOR MARCH 19 BOARD MEETING

The Committee requested that Items Nos. 2 - 13 be placed on the Consent Calendar at the March 19 Board meeting.

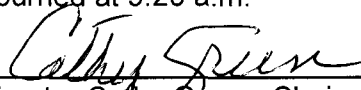
#### DIRECTOR REPORTS

Directors Flory and Sarmiento reported they had a meeting with State Assembly member Sharon Quirk-Silva to discuss legislative matters.

Director Green reported on a recent trip to Sacramento for ACWA legislative issues.

**ADJOURNMENT**

There being no further business, the meeting was adjourned at 9:20 a.m.

  
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Director Cathy Green, Chair