

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

Vice President Dewane called to order the March 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 (absent)
Denis Bilodeau (absent)
Shawn Dewane
Cathy Green
Dina Nguyen
Vicente Sarmiento
Stephen Sheldon
James Vanderbilt (arrived 5:49 p.m.)
Bruce Whitaker
Roger Yoh

Staff

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

1. Public Hearing on 2016-17 Engineer's Report on Groundwater Conditions, Water Supply and Basin Utilization

Vice President Dewane opened the Public Hearing to review the 2016-17 Engineer's Report on Groundwater Conditions, Water Supply and Basin Utilization. District Engineer Chris Olsen reviewed the key findings of the 2016-17 Engineer's Report as contained in the staff report for tonight's meeting. He noted that groundwater production totaled 301,637 acre-feet (af), the accumulated overdraft on June 30, 2017 was 328,000 af, and the annual overdraft was 98,000 af. Mr. Olsen reported that the amount of groundwater stored in the basin increased by 51,000 af and that water demands totaled 388,851 af. General Manager Markus noted that the Board received a comment letter on this item today from the Irvine Ranch Water District. Staff stated that it would work with IRWD to clarify the issues presented in their letter. General Counsel Kuperberg explained that the Engineer's Report presented this evening differs from the one presented at the February 21 meeting in that it provides greater detail as to how the Basin Production Percentage is formulated, which he stated is one of the things that prompted the IRWD letter.

Vice President Dewane then opened the hearing for public comment. There being no persons wishing to address the Board, Vice President Dewane declared the hearing closed and the Board took the following action.

MOTION NO. 18-24
RECEIVING AND FILING ENGINEER’S REPORT ON GROUNDWATER CONDITIONS,
WATER SUPPLY AND BASIN UTILIZATION

Upon motion by Director Green, seconded by Director Whitaker and carried [7-0], the 2016-17 Engineer’s Report on Groundwater Conditions, Water Supply and Basin Utilization for the water year ending June 30, 2017 is hereby received and filed.

Ayes: Dewane, Green, Nguyen, Sarmiento, Sheldon, Whitaker, Yoh

Absent: Anthony, Bilodeau, Vanderbilt

CONSENT CALENDAR

Director Nguyen recorded a “No” vote on Item No. 3, *Board Meeting Minutes*. The Consent Calendar was then approved upon motion by Director Green, seconded by Director Whitaker and carried [7-0] as follows:

Ayes: Dewane, Green, Nguyen, Sarmiento, Sheldon, Whitaker, Yoh

Absent: Anthony, Bilodeau, Vanderbilt

Noes: Nguyen (Item No. 3.)

2. Approval of Cash Disbursements

MOTION NO. 18-25
APPROVING CASH DISBURSEMENTS

Payment of bills for the period March 1, 2018 through March 14, 2018 in the total amount of \$4,915,757.20 is ratified and approved.

3. Approval of Minutes of Board Meeting

MOTION NO. 18-26
APPROVING MINUTES OF BOARD MEETINGS

The minutes of the Board of Directors meetings held February 7 and February 21, 2018 are approved as presented.

ITEMS RECOMMENDED FOR APPROVAL AT COMMUNICATION AND LEGISLATIVE
LIAISON COMMITTEE MEETING HELD MARCH 8, 2018

4. State Legislative Update

MOTION NO. 18-27
ADOPTING SUPPORT POSITION FOR AB 2003 (DALY) SANITATION DISTRICTS:
PUBLIC CONTRACTING

The OCWD hereby adopts a support position for AB 2003 (Daly) Sanitation Districts: Public Contracting.

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

5. North Basin Remedial Investigation Monitoring Well Installations: Contract No. GBM - 2017-2 (BEKS Acquisition dba BC2 Environmental) Notice of Completion

RESOLUTION NO. 18-3-22
ACCEPTING COMPLETION OF CONTRACT NO. GBM-2017-2, NORTH BASIN
REMEDIAL INVESTIGATION MONITORING WELL INSTALLATIONS
(BEKS ACQUISITION DBA BC2 ENVIRONMENTAL)

WHEREAS, the District staff has submitted its report that BEKS Acquisition dba BC2 Environmental has completed work under Contract No. GBM-2017-2, North Basin Remedial Investigation Monitoring Well Installations; and

WHEREAS, the District staff has advised of issuance of Change Order Numbers 1 and 2 to such Contract increasing the contract time by 75 calendar days and decreasing the contract amount by \$121,744; 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. 1 and 2 to BEKS Acquisition dba BC2 Environmental is hereby ratified.

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

6. Destruction of Monitoring Well WBS-3R and Construction of Replacement Monitoring Well OCWD-HG2

MOTION NO. 18-28
APPROVING DESTRUCTION OF MONITORING WELL WBS-3R AND
CONSTRUCTION OF REPLACEMENT MONITORING WELL OCWD-HG2

WHEREAS, the District staff has advised that Monitoring Well WBS-3R, located on District property in the City of Anaheim, is 27 years old and has corroded to the point that it should be properly destroyed/sealed and replaced; and

WHEREAS, the Water Issues Committee of this Board has recommended that such Monitoring well WBS-3R be properly destroyed and that replacement monitoring well OCWD-HG2 be constructed;

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

Section 1: Filing of a Categorical Exemption is authorized for the destruction of monitoring well WBS-3R and construction of replacement monitoring well OCWD-HG2.

Section 2: Destruction of monitoring well WBS-3R and construction of replacement monitoring well OCWD-HG2 are authorized.

Section 3: A project budget of \$45,000 is established.

Section 4: Issuance of a Notice Inviting Bids is authorized for the destruction of monitoring well WBS-3R and construction of replacement monitoring well OCWD-HG2.

- 7. Agreement with Collier Consulting for Geophysical Survey to Investigate Seawater Intrusion in Sunset Gap
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RESOLUTION NO. 18-3-23
 RESCINDING AGREEMENT TO LEGGETTE, BRASHEARS & GRAHAM AND
 AUTHORIZING AGREEMENT TO COLLIER CONSULTING FOR GEOPHYSICAL
 SURVEY TO INVESTIGATE SEAWATER INTRUSION
 AT THE NAVAL WEAPONS STATION SEAL BEACH

WHEREAS, pursuant to Resolution No. 17-12-159 adopted December 20, 2017, the OCWD Board authorized hiring the principal geophysicist with Leggette, Brashears & Graham to conduct a geophysical survey for the seawater intrusion investigation along the boundaries of the Naval Weapons Station in Seal Beach (Sunset Gap area) for an amount not to exceed \$40,000; and

WHEREAS, due to a change of employment by the principal geophysicist, staff recommends rescinding the agreement with Leggette, Brashears & Graham and approving an agreement with Collier Consulting for the same scope of work and budget to perform a geophysical survey to investigate seawater intrusion at the Naval Weapons Station Seal Beach;

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

Section 1: A portion of Resolution No. 17-12-159 approving an agreement to Leggette, Brashears & Graham is hereby rescinded.

Section 2: Issuance of an Agreement is authorized to Collier Consulting for an amount not to exceed \$40,000 to conduct a geophysical survey for seawater intrusion investigation in Sunset Gap.

8. Notice Inviting Bids for Construction of Additional Monitoring Wells for North Basin Remedial Investigation

MOTION NO. 18-29
AUTHORIZING PUBLICATION OF NOTICE INVITING BIDS FOR
CONSTRUCTION OF ADDITIONAL MONITORING WELLS FOR
NORTH BASIN REMEDIAL INVESTIGATION

Issuance of a Notice Inviting Bids is authorized for construction of additional monitoring wells for the North Basin remedial investigation.

9. Limited Term Employment Agreement With Kathryn Demesa

RESOLUTION NO. 18-3-24
APPROVING LIMITED TERM EMPLOYMENT AGREEMENT WITH KATHRYN
DEMESA TO PROVIDE GWRS PROJECT SUPPORT FOR GWRS FINAL EXPANSION

RESOLVED, that a Limited Term Employment Agreement is authorized with Kathryn Demesa to provide engineering support for the GWRS Final Expansion Project at a rate of \$35 per hour commencing April 2, 2018 for a period of two years, pending completion of a background check and physical examination; and, upon motion as to form by District General Counsel, its execution by the District officers is authorized.

10. Agreements for Emergency On-Call Repair Services

RESOLUTION NO. 18-3-25
AUTHORIZING AGREEMENTS FOR EMERGENCY ON CALL REPAIR
SERVICES TO W.A. RASIC CONSTRUCTION COMPANY, INC., DOTY BROS.
EQUIPMENT COMPANY, INC., T.E. ROBERTS, INC., AND CHARLES KING COMPANY

RESOLVED, that the following Agreements are authorized for Emergency On-Call Repair Services for three-year terms commencing April 1, 2018 with an option to renew an additional three years: W.A. Rasic Construction Company, Inc., Doty Bros. Equipment Company, Inc., T.E. Roberts, Inc., and Charles King Company; and, upon motion as to form by District General Counsel, their execution by the District officers is authorized.

RESOLVED FURTHER, that the OCWD General Manager is authorized to initiate emergency repairs with the aforementioned on-call firms for an amount not to exceed \$150,000.

11. Revised Governance Structure for Inland Empire Brine Line

MOTION NO. 18-30
DECLINING PARTICIPATION IN THE SAWPA PROPOSED PROJECT
AGREEMENT 24 REGARDING ADMINISTRATION AND OPERATION
OF THE INLAND EMPIRE BRINE LINE

The OCWD Board hereby declines participation in the Santa Ana Watershed Project Authority (SAWPA) proposed Project Agreement 24 regarding administration and operation of the Inland Empire Brine Line.

12. Participation and Funding for Water UCI Industry-Cooperative Research Center

RESOLUTION NO. 18-3-26
AUTHORIZING DISTRICT PARTICIPATION AND FUNDING FOR WATER UCI
INDUSTRY-COOPERATIVE RESEARCH CENTER FUNDED BY NSF

WHEREAS, the District staff has advised that the University of California, Irvine (UCI) is pursuing grant funding from the National Science Foundation (NSF) to form an Industry-University Cooperative Research Center (Research Center); and

WHEREAS, the Water Issues Committee of this Board has recommended OCWD participation as an Industrial Advisory Board member and, per NSF requirements for industry funding contribution, to provide research funding to the Center for up to \$50,000 per year for the first phase (five years), subject to a successful NSF award to UCI and a Center structure and vision that the District deems consistent with its mission and research objectives;

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby approve District participation in the aforementioned Water University of California, Irvine Industry-University Cooperative Research Center as outlined herein, subject to an NSF award to Water UCI and District staff review.

13. GWRS Unit I Pipeline Rehabilitation Project – Approve List of Prequalified Contractors

MOTION NO. 18-31
APPROVING LIST OF PREQUALIFIED CONTRACTORS FOR THE GWRS UNIT I
PIPELINE REHABILITATION PROJECT; AUTHORIZING – APPROVE LIST OF
PREQUALIFIED CONTRACTORS AND AUTHORIZING NOTICE INVITING BIDS AND
RFP FOR INSPECTION AND TESTING SERVICES

The following eight pre-qualified contractors are hereby approved to submit a bid for construction of the Groundwater Replenishment System Unit I Pipeline Rehabilitation Project; and solicitation of a Notice Inviting Bids is authorized to the aforementioned eight pre-qualified contractors for Contract No. GWRS-2018-1, Groundwater Replenishment System Unit I Pipeline Rehabilitation Project:

Abhe & Svoboda, Inc.
Certified Coatings Company
Fibrwrap Construction Services, Inc.
F.D. Thomas, Inc.
L.H. Woods & Sons, Inc.
SAK Construction, LLC
Spiniello Companies
Suez/Utility Service Co., Inc.

MOTION NO. 18-32
AUTHORIZING ISSUANCE OF RFP FOR INSPECTION AND TESTING SERVICES
DURING CONSTRUCTION OF THE GWRS
UNIT I PIPELINE REHABILITATION PROJECT

Issuance of a Request for Proposals is authorized for Inspection and Testing Services during construction of the GWRS Unit I Pipeline Rehabilitation Project.

14. Proposed Fiscal Year 2018-19 Water Purchase Budget

MOTION NO. 18-33
RECEIVING AND FILING PROPOSED FY 2018-19 WATER PURCHASE BUDGET

The proposed Fiscal Year 2018-19 Water Purchase budget is hereby received and filed.

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

15. Monthly Cash Control Report

MOTION NO. 18-34
RECEIVING AND FILING CASH CONTROL REPORTS

The Summary Cash and Cash Equivalents Control Reports dated February 28, 2018 are hereby received and filed.

16. Investment Portfolio Holdings Reports

MOTION NO. 18-35
RECEIVING AND FILING INVESTMENT PORTFOLIO HOLDINGS REPORTS

The Investment Portfolio Holdings Reports dated February 28, 2018 are hereby received and filed.

17. Agreement with Utilquest for Underground Service Alert (USA) Services

RESOLUTION NO. 18-3-27
APPROVING AGREEMENT WITH UTILQUEST TO PROVIDE UNDERGROUND
SERVICE ALERT MONITORING SERVICES

RESOLVED, that issuance of an Agreement with Utilquest is authorized to provide underground service alert monitoring services for an amount not to exceed \$77,000 per year for a period of three years beginning April 1, 2018 through March 31, 2021, with an option to renew for an additional period of two years under the same terms and conditions; and, upon approval as to form by District General Counsel its execution by the District staff is authorized.

18. Amendment to MOU with CSUF Auxiliary Services Corporation for Continued Operation of the Center for Demographic Research

RESOLUTION NO.18-3-28
AUTHORIZING AMENDMENT TO MOU WITH CSUF AUXILIARY SERVICES
CORPORATION FOR CONTINUED OPERATION OF THE CENTER
FOR DEMOGRAPHIC RESEARCH

WHEREAS, since 1998, OCWD has provided financial participation in the California State University, Fullerton Auxiliary Services Corporation for the Operation of the Center for Demographic Research; and

WHEREAS, pursuant to Resolution No. 17-3-38 adopted March 15, 2017, OCWD authorized entering into a Memorandum of Understanding (MOU) with California State University, Fullerton Auxiliary Services Corporation for the Continued Operation of the Center for Demographic Research for FY2017-18, FY2018-19 and FY2019-20; and

WHEREAS, the Administration and Finance Issues Committee has presented and recommended execution of Amendment No. 1 to the MOU with California State University, Fullerton Auxiliary Services Corporation for the Continued Operation of the Center for Demographic Research for renewing OCWD's commitment to annual financial sponsorship for the period July 1, 2018 through June 30, 2019 in the amount of \$47,044.26, to be invoiced on a quarterly basis;

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby approve the aforementioned Amendment No. 1 to the MOU with California State University, Fullerton Auxiliary Services as described herein; and, upon approval as to form by District General Counsel, its execution by the District staff is authorized,

19. Limited-Term Employment Agreement for Postdoctoral Research Associate

RESOLUITON NO. 18-3-29
APPROVING LIMITED-TERM EMPLOYMENT AGREEMENT WITH
POSTDOCTORAL RESEARCH ASSOCIATE RICARDO MEDINA

RESOLVED, that issuance of a Limited-Term Employment Agreement with Postdoctoral Research Associate Ricardo Medina is authorized for a one-year period commencing April 2, 2018; and, upon approval as to form by District General Counsel, its execution by the District staff is authorized.

20. Purchase Konica Minolta C287 Bizhub Color Copier/Scanner/Fax

RESOLUITON NO. 18-3-30
APPROVING PURCHASE KONICA MINOLTA C287 BIZHUB COLOR
COPIER/SCANNER/FAX

Issuance of a Purchase Order is authorized for a Konica Minolta C287 Bizhub in the amount of \$7,041 (includes sales tax, delivery and set-up) and surplus of the existing copier is approved.

21. Surplus of Equipment, Vehicle, Miscellaneous Furniture and Computer Hardware

MOTION NO. 18-36
SURPLUSING EQUIPMENT AND VEHICLES

Items on the Surplus List dated March 6, 2018 are hereby declared surplus and the sale and disposal thereof is authorized.

22. Purchase of One Online Turbidity Analyzer for the GWRS

RESOLUITON NO. 18-3-31
AUTHORIZING PURCHASE ORDER FOR ONLINE TURBIDITY ANALYZER FOR GWRS

Issuance of a Purchase Order is authorized to Hach in the amount of \$8,248 for the purchase of one turbidity analyzer required for the Groundwater Replenishment System.

23. Budget to Actual Report for Second Quarter FY 2017-18

MOTION NO. 18-37
RECEIVING AND FILING BUDGET TO ACTUAL REPORT FOR
SECOND QUARTER FY 2017-18

The Budget to Actual Report for the Fiscal Year 2017-18 Second Quarter ending December 31, 2017 is hereby received and filed.

24. Setting FY 2018-19 RA and Additional RA

MOTION NO. 18-38
 REQUIRING GROUNDWATER PRODUCERS PROVIDING GROUNDWATER TO
 AGRICULTURAL CUSTOMERS TO PAY ADDITIONAL REPLENISHMENT ASSESSMENT
 IN ADDITION TO THE REPLENISHMENT ASSESSMENT

Beginning with fiscal year 2018-19, OCWD hereby requires Producers providing groundwater to agricultural customers to pay the Additional Replenishment Assessment in addition to the Replenishment Assessment.

25. Proposed FY 2018-19 Replenishment Assessment – Letter from Cities of Anaheim, Fullerton and Santa Ana

MOTION NO. 18-39
 DIRECTING STAFF TO TRANSMIT A LETTER TO THE CITIES OF ANAHEIM,
 FULLERTON AND SANTA ANA REGARDING THEIR COMMENTS ON
 THE FY 2018-19 RA

- 1) Staff is directed to send a letter to the Cities of Anaheim, Fullerton, and Santa Ana seeking their preference and comments for the following three options to reduce the recommended FY 2018-19 Replenishment Assessment (RA). Staff has recommended a budget and basin operation plan that would maintain the Basin Production Percentage (BPP) at 75% and would increase the RA from \$445 to \$472/acre-foot:
 - A) Increase the BPP to 80% to generate additional water sales which will allow the RA to remain unchanged;
 - B) Reduce purchases of Metropolitan Water District untreated water supplies to 35,000 acre-feet and correspondingly reduce the BPP to 67% which will allow the RA to remain unchanged; and
 - C) Defer payment of 13,000 acre-feet of in-lieu water taken under the MWD Cyclic Storage Agreement to future years which will reduce the recommended RA increase to \$457/acre-foot;
- 2) Staff is to review with the Board the figures for the various water supply sources that are being budgeted to recharge the groundwater basin in FY 2018-19: What if average amounts are used versus the conservative amounts that are currently being proposed;
- 3) Staff is to develop \$5 million in budget cuts/deferrals for Board consideration (Option C above); and
- 4) Staff is to provide the pros and cons of the different budget options that are being considered

26. Proposed FY 2018-19 Budget Replacement & Refurbishment Fund Expenditure Review

MOTION NO. 18-40
RECEIVING AND FILING PROPOSED FY 2018-19 R&R FUND

The proposed FY 2018-19 Budget Replacement & Refurbishment (R&R) Fund Expenditure Fund is received and filed.

27. Orange County LAFCO Regular and Alternate Special District Member Seats

RESOLUTION NO. 18-3-32
NOMINATING CANDIDATES FOR ORANGE COUNTY LAFCO REGULAR AND
ALTERNATE SPECIAL DISTRICT MEMBER SEATS

OCWD hereby nominates East Orange County Water District Director Doug Davert for the OC LAFCO Regular Special District seat; and Mesa Water District Director James Fisler for OC LAFCO Alternate Special District seat; and the Board President is designated to cast OCWD's vote in the upcoming election.

MATTERS FOR CONSIDERATION

Director Vanderbilt arrived at 5:48 p.m. during discussion of the following item.

28. Proposed FY 2018-19 Capital Improvement Program Budget

Director of Engineering Chris Olsen provided an overview of the proposed fiscal year 2018-19 Capital Improvement Program budget totaling \$49.6 million for 12 projects.

MOTION NO. 18-41
RECEIVING AND FILING FY 2018-19 CIP BUDGET

Upon motion by Director Green, seconded by Director Whitaker and carried [8-0] the proposed Fiscal Year 2018-19 Capital Improvement Program Budget is hereby received and filed.

INFORMATIONAL ITEMS

29. Santa Ana Watershed Project Authority Activities

Director Whitaker provided an update on recent SAWPA activities.

30. Water Resources Summary

There was no discussion of this item.

31. COMMITTEE/CONFERENCE/MEETING REPORTS

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

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

32. VERBAL REPORTS

General Manager Markus reminded the Board that the Children's Water Education Festival will take place next Wednesday and Thursday and UCI.

33. ADJOURNMENT TO CLOSED SESSION

The Board adjourned to Closed Session at 5:52 p.m. as follows:

- CONFERENCE WITH REAL PROPERTY NEGOTIATOR
 [Government Code Section 54956.8]
 Real property located at: Parcels (3)
 253-473-01 - 1200 S. Phoenix Club Drive, Anaheim, CA 92806
 253-631-32 - 1200 S. Phoenix Club Drive, Anaheim, CA 92806
 253-631-39 - 1200 S. Phoenix Club Drive, Anaheim, CA 92806
 OCWD negotiator: Michael Markus
 Negotiating party: Various Parties
 Under negotiation: Price and Terms

RECONVENE IN OPEN SESSION


The Board reconvened in Open Session at 6:39 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 6:39 p.m.



 Janice Durant, District Secretary



 Denis Bilodeau, President