

MINUTES OF BOARD OF DIRECTORS MEETING
WATER ISSUES COMMITTEE
ORANGE COUNTY WATER DISTRICT
May 17, 2017 @ 8:00 a.m.

Director Green called the Water Issues Committee meeting to order at 8:00 a.m. in MWDOC Conference Room 101. The Secretary called the roll and reported a quorum of the Committee as follows.

Committee Members

Cathy Green
Phil Anthony
Bruce Whitaker
James Vanderbilt
Vicente Sarmiento

OCWD

Mike Markus –General Manager
Joel Kuperberg - General Counsel
John Kennedy - Executive Director
Christina Fuller- Assistant District Secretary

Alternates

Shawn Dewane
Steve Sheldon
Dina Nguyen
Roger Yoh (absent)
Denis Bilodeau

CONSENT CALENDAR

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

[Ayes - Green, Anthony, Whitaker, Sarmiento, Dewane/Noes – 0]

1. Minutes of Water Issues Committee Meetings Held April 12, 2017

The Minutes of the Water Issues Committee meetings held April 12, 2017 were approved as presented.

2. Agreement for Purchase of Microfiltration (MF) Modules

Recommended by Committee for approval May 24 Board meeting: Authorize purchase of 3,440 MF membranes from Evoqua Water Technologies for an amount not to exceed \$2,731,639.

3. Emergency Modification of Green Acres Project Pipeline along Arlington Drive

Recommended by Committee for approval at May 24 Board meeting: 1) Ratify work order with W.A Rasic Construction Company, Inc. for emergency response to locate the existing GAP pipeline for an amount not to exceed \$12,000; and 2) Authorize the General Manager to issue an emergency work order to one of the District's on-call pipeline contractors for GAP pipeline relocation work in an amount not to exceed \$833,000.

4. Publication of Notice Inviting Bids for Santiago Pipeline 66-Inch Butterfly Valve Replacement Project

Recommended by Committee for approval at May 24 Board meeting: Authorize publication of Notice Inviting Bids for Contract No. SC-2017-1, Santiago Pipeline 66-Inch Butterfly Valve Replacement Project.

5. Resolutions Authorizing General Manager to Enter Into Proposition 1 Funding Agreements with State Water Resources Control Board

Recommended by Committee for approval at May 24 Board meeting: Adopt resolutions authorizing General Manager to enter into Proposition 1 grant funding agreements for the North Basin RI/FS, North Basin Well EW-1, and South Basin RI/FS projects.

6. Project Funding Contract with Water Research Foundation and University of California Riverside on Advanced Treatment by UV/Chloramine Advanced Oxidation

Recommended by Committee for approval at May 24 Board meeting: Authorize execution of Multi Funded Research Agreement No. 04699 with Water Research Foundation and University of California, Riverside in Support of the Project, "Kinetics Modeling and Experimental Investigations of Chloramine Photolysis in Ultraviolet-Driven Advanced Water Treatment".

7. Agreement to W.A. Rasic Construction for Green Acres Project Blow-Off Box Replacement

Recommended by Committee for approval at May 24 Board meeting: Authorize issuance of Agreement to W.A. Rasic Construction for Replacement of GAP Blow-Off Enclosure Boxes for an amount not to exceed \$39,800

8. Contract No. SAR-2014-1: Imperial Headgates and Weir Pond Rehabilitation – Authorize Notice of Completion to Pacific Hydrotech Corp. and Ratify Change Orders 11-15

Recommended by Committee for approval at May 24 Board meeting: 1) Ratify issuance of Change Order Nos. 11-15 to Pacific Hydrotech Corp. for a total amount of \$143,443; and 2) Accept completion of work and authorize filing a Notice of Completion for Contract SAR-2014-1 Imperial Headgates and Weir Pond Rehabilitation Project.

MATTERS FOR CONSIDERATION

9. Mid-Basin Injection: Centennial Park – Award Contract MBI-2017-1 to Pacific Hydrotech, Authorize Tetra Tech Amendment, and Award Agreement to VCS Environmental

Engineer Ben Smith reported that a total of four construction bids were received for Contract No. MBI-2017-1, Mid-Basin Injection: Centennial Park. He stated this project includes construction of four wells to inject GWRS product water directly into the principal aquifer near areas with concentrated groundwater production and relatively low groundwater levels. Mr. Smith advised that each injection well is expected to provide 1-3 million gallons per day of additional recharge capacity. He reported that the project will provide additional basin recharge capacity that must be developed to support the GWRS Final Expansion Project, raise groundwater levels, and reduce the amount of GWRS water that is sent to the Anaheim recharge basins which will allow those facilities to concentrate on capturing Santa Ana River storm flows and recharging untreated imported water. After a brief discussion, the Committee took following action.

Upon motion by Director Anthony, seconded by Director Whitaker and carried [5-0], the Committee recommended that the Board at its May 24 Board meeting:

- 1) **Receive and file Affidavit of Publication of Notice Inviting Bids for Contract MBI-2017-1, Mid-Basin Injection: Centennial Park, and accept bid and award contract to the lowest responsive bidder Pacific Hydrotech Corp. in the amount of \$23,107,567;**

- 2) **Authorize issuance of Amendment No. 3 to Agreement No. 1090 with Tetra Tech, Inc. for an amount not to exceed \$131,800 for additional architectural plans, civil design, and permitting efforts;**
- 3) **Authorize issuance of Agreement to VCS Environmental for archeological, paleontological, and Native American resources monitoring for an amount not to exceed \$31,520; and**
- 4) **Reduce the total project budget from \$33,000,000 to \$29,500,000.**

[Ayes - Green, Anthony, Whitaker, Vanderbilt, Sarmiento/Noes – 0]

10. Alamitos Barrier Improvement Project Injection Well Improvements: Award Contract No. AB-2016-1 to Kiewit Infrastructure West Company and Revise Project Budget

Principal Engineer Ryan Bouley reported that staff received five bids for Contract No. AB-2016-1, Alamitos Barrier Improvement Project Injection Well Improvements, to construct topside improvements for 17 injection wells and three nested monitoring wells. He stated staff recommends awarding the contract to Kiewit Infrastructure West Company (Kiewit) as the lowest responsive bidder for \$3,550,000. Mr. Bouley stated since Kiewit's bid was higher than staff's estimate for the injection well improvement costs, staff recommends increasing the project budget by \$498,000 to a revised total of \$15,989,614 which also includes the existing well drilling contract.

Upon motion by Director Anthony, seconded by Director Sarmiento and carried [5-0], the Committee recommended at its May 24 Board meeting:

- 1) **Receive and file Affidavit of Publication of Notice Inviting Bids for No. Contract AB-2016-1, Alamitos Barrier Improvement Project Injection Well Improvements; and accept bid and award Contract to Kiewit Infrastructure West Company for \$3,550,000; and**
- 2) **Approve an increase to the Alamitos Barrier Improvement Project budget by \$498,000 for a revised total capital project budget of \$15,989,614**

[Ayes - Green, Anthony, Whitaker, Vanderbilt, Sarmiento /Noes – 0]

11. Recommended Change to Policy for Developing New Local Water Resources

General Manager Mike Markus reminded the Committee the District established the Water Resources Policy in May 2013 to ensure that adequate water supplies are always available to its service territory. He stated that staff recommends broadening the existing Water Resources Policy to allow the consideration of other types of programs and projects such as groundwater banking and exchange programs, conjunctive use and additional amber tinted water treatment. He reported the recommended changes would also open the door for the District to consider storage programs with South Orange County agencies.

Upon motion by Director Anthony, seconded by Director Whitaker and carried [3-2], the Committee recommended that the Board at its May 24 Board meeting: Modify the District's Water Resources Policy as presented.

[Ayes - Green, Anthony, Whitaker / Noes - Vanderbilt, Sarmiento]

12. New Green Acres Project (GAP) Sales and Distribution Agreement with Retailers

Engineer Ben Smith reminded the Committee the District's Green Acres Project (GAP) provides non-potable recycled water, primarily for irrigation purposes, to more than a hundred sites in the cities of Newport Beach, Fountain Valley, Santa Ana, Huntington Beach, the Mesa Water District, and to the Orange County Sanitation District. He stated the Board considered several policy issues in 2016 and directed staff to renegotiate the Sales and Distribution Agreements with participating Retail agencies. Mr. Smith reported that staff met with the five retail agencies participating in GAP and negotiated several changes to the existing sales and distribution agreements. He detailed the

recommended changes to the existing agreement. Larry Tucker from Big Canyon Country Club requested that the District not make any changes to the policy.

Upon motion by Director Anthony, seconded by Director Whitaker and carried [5-0], the Committee recommended at its May 24 Board meeting:

- 1) **Provide direction to staff regarding proposed Paragraph 5.7 to the new GAP Sales and Distribution Agreement; and**
- 2) **Authorize the General Manager to execute new GAP Sales and Distribution Agreements, subject to minor edits approved by General Counsel, with City of Fountain Valley, Mesa Water District, City of Newport Beach, City of Huntington Beach, and City of Santa Ana to become effective July 1, 2017**

[Ayes - Green, Anthony, Whitaker, Vanderbilt, Sarmiento /Noes – 0]

INFORMATIONAL ITEM

13. 650,000 AF Purchase Order Commitment with MWDOC for Untreated Full Service Imported Water

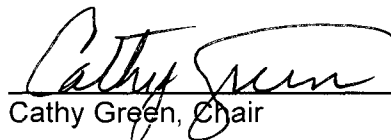
Executive Director John Kennedy stated the Metropolitan Water District (MWD) requests its member agencies to commit to a certain level of water purchases via a purchase order over a ten-year period and in return the MWD member agencies receive a higher Tier I allotment helping them to avoid paying Tier II prices for imported water. He reported that based upon the District's plan and commitment to maximize untreated full service water purchases to support a higher Basin Production Percentage, the District encouraged the Municipal Water District of Orange County (MWDOC) to commit to purchase 2,144,203 acre-feet of water from MWD over ten years which gave MWDOC an even higher Tier I allotment. Mr. Kennedy stated the District then committed to purchase 650,000 acre-feet of water over the next ten years to assist MWDOC in meeting that amount. He noted that these commitments began in January 2015.

ITEMS TO BE AGENDIZED AS MATTERS OF CONSIDERATION AT THE MAY 24 BOARD MEETING

It was agreed to place Items No. 11 and 12 as Matters of Consideration for the May 24 Board meeting.

ADJOURNMENT

There being no further business, the meeting was adjourned at 9:35 a.m.


Cathy Green, Chair