

MINUTES OF BOARD OF DIRECTORS MEETING
WITH WATER ISSUES COMMITTEE
ORANGE COUNTY WATER DISTRICT
August 13, 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 (arrived 8:33 a.m.)
Vincent Sarmiento (arrived 8:10 a.m.)
Shawn Dewane
Philip Anthony

Alternates

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

OCWD Staff

Mike Markus - General Manager
Joel Kuperberg - General Counsel
Judy-Rae Karlsen - Assistant District Secretary
Jason Dadakis, Bill Dunivin,
Roy Herndon, Bonnie Howard, Bill Hunt,
John Kennedy, Chris Olsen, Mehul Patel,
Audrey Perry, Sandy Scott Robert, Ben Smith,
Mike Wehner, Greg Woodside

Others

Howard Johnson - Brady & Associates
Nabil Saba – City of Santa Ana
Skip Griffin - SPI
Peer Swan – Irvine Ranch Water District
Brian Ragland – City of Huntington Beach
Keith Lyon – Municipal Water District of OC
Don Calkins, Rick Shintaku - City of Anaheim
Steve Conklin - Yorba Linda Water District
Phil Lauri – Mesa Water District
Kristi Kuhlmann – Black & Veatch
John Earl – Surf City Voice

CONSENT CALENDAR

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

[Yes- Green, Dewane, Anthony, Barr, Sidhu /No-0]

1. Minutes of Previous Meeting

The Minutes of the Water Issues Committee meeting held July 9, 2014 are approved as presented.

2. Agreement to Caltrol for Renewal of Annual Software Support for GWRS Process Control System

Recommended for approval at August 20 Board meeting: Approve and authorize issuance of Agreement to Caltrol (Emerson's limited business partner) for a period of five years for a total amount of \$258,858 for the annual renewal of software support for GWRS process control system, with the 2014/2015 fiscal year contract amount to be \$49,247.

3. Purchase Order to California Centrifugal Pump Company to Rebuild Green Acres Backwash Pump

Recommended for approval at August 20 Board meeting: Approve and authorize issuance of Purchase Order to California Centrifugal Pump Company for an amount not to exceed \$80,964 for the repair and refurbishment of Green Acres Backwash Pump A01.

4. Agreement to Separation Processes Inc. for Technical Support on the GWRS Micro Filtration (MF) and Reverse Osmosis (RO) Operations

Recommended for approval at August 20 Board meeting: Approve and authorize issuance of Agreement to Separation Processes Inc. for an amount not to exceed \$75,000 to provide consulting services on a time and material bases for the GWRS MF/RO membrane processes through August 31, 2015.

5. Amendment to Agreement with Parsons for Additional Construction Management Services for the GWRS Initial Expansion Project

Recommended for approval at August 20 Board meeting: Authorize issuance of Amendment No. 3 to Agreement No. 0744 with Parsons for an amount not to exceed \$471,445 for additional construction management services required for the GWRS Initial Expansion project.

6. Award Contract No. SC-2014-1, Santiago Pipeline Access Project to GCI Construction, Inc.

Recommended for approval at August 20 Board meeting: 1) Receive and file Affidavit of Publication of Notice Inviting Bids for Contract No. SC-2014-1, Santiago Pipeline Access Project; and 2) Accept bid and award contract to GCI Construction, Inc. in the amount of \$82,394.

INFORMATIONAL ITEM

Director Green requested that Informational Item No. 11, Municipal Water District of Orange County - Orange County Water Reliability Study 2015, be advanced on the Agenda to allow for a discussion with Robert Hunter, General Manager of Municipal Water District of Orange County.

Director Sheldon arrived at 8:05 a.m. and Director Sarmiento arrived at 8:10 a.m. during the following discussion.

11. Municipal Water District of Orange County - Orange County Water Reliability Study 2015

General Manager Mike Markus reported on recent interactions with the Municipal Water District of Orange County (MWDOC), and advised that MWDOC issued a Request for Proposals (RFP) for a consultant to assist with the preparation of their 2015 Orange County Water Reliability Study. He noted the study will investigate countywide water supply reliability issues and will utilize data provided by local agencies. The Committee directed questions to Rob Hunter, MWDOC General Manager. He advised the Committee that the study was planned for this fiscal year and, while MWDOC will be the lead agency, an Advisory Work Group will review the data provided by the District and other water agencies. Mr. Hunter reviewed the study objectives and noted the due date for RFP proposals is August 27, 2014 and the Advisory Work Group will assist with the consultant selection process and may reevaluate the scope of work for the study. The Committee expressed concerns that OCWD is not a partner in the study, however, a significant amount of the data will originate from OCWD's groundwater basin management and water reliability reports. Director Dewane requested that the MWDOC study consider the effects of demand hardening on the per unit cost of water to the retail customer and he described the "paradox of thrift". He requested the study include the number of installed water saving devices and the results in

terms of the amount of water conservation and the number of devices forecasted to be installed with the expected impacts on groundwater consumption. He requested that MWDOC provide a hypothetical example of a Groundwater Producer that utilizes water conservation devices and explain how the water that is not used will impact the retail customer. Mr. Dewane stated the Board of Directors and local consumers should be informed about all of the economic impacts of policies that are being considered. He reported that Mesa Water District conducted a study and he would like the MWDOC study to confirm its findings. Mr. Dewane stated that local agencies recommend water conservation programs but they must also consider infrastructure needs and maintenance issues that create water loss.

The Committee expressed concerns that MWDOC has not offered to partner with local agencies or conduct the investigation with a collaborative effort.

Irvine Ranch Water District (IRWD) General Manager Paul Cook stated IRWD is interested in the final product. He advised that IRWD would like to see the study become an inclusive and collaborative investigation rather than another study that offers recommendations to local water agencies. Peer Swan reported he initiated the discussion at the OCWD/MWDOC Joint Planning Committee and he stated that Orange County residents will expect countywide agencies to work together and develop a reliability study that focuses on their interests. Furthermore, he recommended the study begin with an analysis of current reliability issues and then conduct research that will provide for anticipated future reliability needs.

Mr. Hunter stated that MWDOC will be the lead agency and he will encourage local agencies to participate and contribute as members of the Advisory Work Group. He also advised that MWDOC supports the decision making responsibility of local agencies and the study would not challenge the authority of local water agencies.

The Committee recommended this matter be agendaized for further discussion at a future Communications and Legislative Liaison Committee meeting. The Committee then took the following action.

Upon motion by Director Sarmiento seconded by Director Sheldon and carried [5-0], the Committee recommended the proposed MWDOC "OC Water Reliability Study 2015" be agendaized for discussion at a future Communications and Legislative Liaison Committee meeting.

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

MATTERS FOR CONSIDERATION

7. Agreement to American Water Chemicals, Inc. for Reverse Osmosis (RO) Antiscalants in the GWRS RO Treatment Facility

Director of Operations Bill Dunivin reported on the historical use of chemicals in the GWRS reverse osmosis treatment facility. He reported the treatment facility has a \$5 million budget for chemicals with approximately \$1.5 million to purchase antiscalants that serve to reduce membrane damage and increased membrane efficiencies. Mr. Dunivin reported that staff has partnered with several chemical companies to advance the development of more efficient antiscalant chemical compounds. He advised the partnership with chemical companies ensures a competitive bidding process as well as advances the product performance within the GWRS treatment process. The Committee then took the following action.

Upon motion by Director Dewane, seconded by Director Anthony and carried [5-0], the Committee recommended that the Board at its August 20 Board meeting: Authorize issuance of Agreement to American Water Chemicals, Inc. for the purchase of reverse osmosis antiscalant, at the rate of \$1.58/lb with a 2% 10 net 30 discount, for supply and delivery of antiscalant for a

period of one year, with an option to renew for up to two years if the chemical is performing satisfactorily and staff can negotiate a fair price.

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

Director Bilodeau arrived at 8:33 a.m. during discussion of the following item.

8. Award Contract No. B-2014-1: Burris Pump Station Project Phase 2 Construction to Pacific Hydrotech Corp; Issue Amendment to Agreement to Tetra Tech and Establish Project Budget

Assistant Director of Engineering Chris Olsen presented an overview of the scope of work, the proposed budget and the project schedule for the Burris Basin Station Project Phase 2 Construction project. He advised that Phase 2 is the final phase of construction for the well and pump station. Mr. Olsen reported that staff issued the Notice Inviting Bids on June 18 with two addendums. He stated that 9 proposals were received and staff determined the need for additional tasks to add into the original scope of work prior to awarding the contract. Mr. Olsen reported the evaluation team recommended awarding the contract to the lowest proposer Pacific Hydrotech Corporation in the amount of \$20,439,800 and issuing Amendment No. 1 to Tetra Tech for additional design work and specialty inspections. He also reported the need to approve the proposed project budget of \$25.2 million. The Committee then took the following action.

Upon motion by Director Anthony, seconded by Director Dewane and carried [5-0], the Committee recommended that the Board at its August 20 Board meeting: 1) Receive and file Affidavit of Publication of Notice Inviting Bids for Contract B-2014-1, Burris Pump Station Project; 2) Ratify issuance of Addenda Nos. 1 & 2 and accept bid and award contract to the lowest responsive bidder, Pacific Hydrotech Corp., in the amount of \$20,439,800; 3) Authorize issuance of Amendment No. 1 to Agreement No. 0878 with Tetra Tech for an amount not to exceed \$161,700 for additional work and specialty inspection; and 4) Approve proposed project budget in the amount of \$25.2 million.

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

9. Award Contract No. FB-2014-1: Fletcher Recharge Basin Project to Sukut Construction, LLC, Ratify Addendum 1 & 2, Issue Amendment to Agreement to Butier Construction Managers and Establish Project Budget

Senior Engineer Sandy Scott-Roberts reviewed the scope of work and proposed project schedule for the Fletcher Recharge Basin project. She reported the project is a joint project with Orange County Flood Control District and reported that staff issued the Notice Inviting Bids on June 16 and 7 bid proposals were received and evaluated by staff. Ms. Scott-Roberts noted the staff evaluation team recommended awarding the contract to the lowest proposer Sukut Construction in the amount of \$4,317,242 with the actual net cost of \$3.0 million, and authorized issuing Amendment No. 6 to Butier Construction Manager and Construction Engineers for a no cost contract extension and a proposed budget. The Committee then took the following action.

Upon motion by Director Bilodeau, seconded by Director Anthony and carried [5-0], the Committee recommended that the Board at its August 20 Board meeting: 1) Receive and file Affidavit of Publication of Notice Inviting Bids for Contract No. FB-2014-1, Fletcher Recharge Basin Project, 2) Ratify issuance of Addendum No. 1 and 2; 2) Accept bid and award contract to Sukut Construction, LLC for an amount not to exceed \$4,317,242; and 3) Authorize issuance of a no cost Amendment No. 6 to Agreement No. 0370 with Butier Construction Managers and Consulting Engineers to extend the contract expiration date to June 30, 2016 for construction management services.

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

10. Contract No. SAR-2014-1, The Imperial Headgates and Weir Pond Rehabilitation Project - Notice Inviting Bids

Mr. Olsen reviewed the Imperial Headgates and Weir Pond Rehabilitation project schedule, budget and the proposed scope of work. He advised that staff has determined the 20 year-old trash racks and diversion gates are significantly corroded and need to be replaced. Mr. Olsen reported the project includes decommissioning, demolishing and replacing the existing trash racks and diversion gates at Imperial Headgates and Weir Pond and repairing the control building roofing. He recommended issuance of the Notice Inviting bids for Contract No SAR-2014-1, and the Committee took the following action.

Upon motion by Director Dewane, seconded by Director Sidhu and carried [5-0], the Committee recommended that the Board at its August 20 Board meeting: Authorize issuance of Notice Inviting Bids for Contract No. SAR-2014-1: Imperial Headgates and Weir Pond Rehabilitation Project.

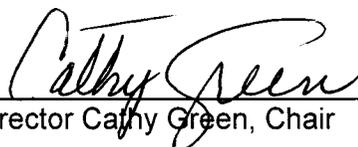
[Yes- Green, Bilodeau, Sarmiento, Dewane, Anthony /No-0]

ITEMS TO BE PLACED ON CONSENT CALENDAR FOR AUGUST 20 BOARD MEETING

The Committee requested that Items Nos. 2 - 10 be placed on the Consent Calendar at the August 20 Board meeting.

ADJOURNMENT

There being no further business, the meeting was adjourned at 9:10 a.m.



Director Cathy Green, Chair