

AGENDA
WATER ISSUES COMMITTEE MEETING
WITH BOARD OF DIRECTORS *
ORANGE COUNTY WATER DISTRICT
18700 Ward Street, Fountain Valley, CA 92708
Wednesday, April 10, 2024 12:00 p.m., Boardroom

*The OCWD Water Issues Committee meeting is noticed as a joint meeting with the Board of Directors for the purpose of strict compliance with the Brown Act and it provides an opportunity for all Directors to hear presentations and participate in discussions. Directors receive no additional compensation or stipend as a result of simultaneously convening this meeting. Items recommended for approval at this meeting will be placed on the **April 17** Board meeting Agenda for approval.

This meeting will be held in person. As a convenience for the public, the meeting may also be accessed by Zoom Webinar and will be available by either computer or telephone audio as indicated below. Because this is an in-person meeting and the Zoom component is not required, but rather is being offered as a convenience, if there are any technical issues during the meeting, this meeting will continue and will not be suspended.

Computer Audio: Join the Zoom Webinar by clicking on the following link:
<https://ocwd.zoom.us/j/98592928069>

Webinar ID: 985 9292 8069

Telephone Audio: (213) 338 8477

Teleconference Sites:
10382 Bonnie Drive, Garden Grove
20 Civic Center Plaza, Room 813, Santa Ana
100 S. Main Street, Los Angeles
1454 Madison Street, Tustin
400 W Civic Center Drive, Santa Ana
Nanuku Resort, 11 Nanuku Drive, Pacific Harbour, Fiji
* Members of the public may attend and participate at all locations.

PLEDGE OF ALLEGIANCE

ROLL CALL

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

RECOMMENDATION: Adopt resolution determining need to take immediate action on item(s) and that the need for action came to the attention of the District subsequent to the posting of the Agenda (requires two-thirds vote of the Board members present, or, if less than two-thirds of the members are present, a unanimous vote of those members present.)

VISITOR PARTICIPATION

Time has been reserved at this point in the agenda for persons wishing to comment for up to three minutes to the Board of Directors on any item that is not listed on the agenda, but within the subject matter jurisdiction of the District. By law, the Board of Directors is prohibited from taking action on such public comments. As appropriate, matters raised in these public comments will be referred to District staff or placed on the agenda of an upcoming Board meeting.

At this time, members of the public may also offer public comment for up to three minutes on any item on the Consent Calendar. While members of the public may not remove an item from the Consent Calendar for separate discussion, a Director may do so at the request of a member of the public.

CONSENT CALENDAR (ITEMS NO. 1 – 6)

All matters on the Consent Calendar are to be approved by one motion, without separate discussion on these items, unless a Board member or District staff request that specific items be removed from the Consent Calendar for separate consideration.

1. **MINUTES OF WATER ISSUES COMMITTEE MEETING HELD MARCH 13, 2024**

RECOMMENDATION: Approve minutes as presented

2. **PURCHASE ORDER TO ABM ELECTRICAL POWER SERVICES, LLC FOR FIELD HEADQUARTERS SITE WIDE ELECTRICAL MAINTENANCE AND TESTING**

RECOMMENDATION: Agendize for April 17 Board Meeting: Authorize issuance an agreement with ABM Electrical Power Services, LLC in the amount of \$54,650 for services to inspect, clean, test and certify 12 sites' power distribution equipment

3. **AWARD CONTRACT GBM-2024-1 DESTRUCTION OF MONITORING WELLS AM-29A AND MCAS-10**

RECOMMENDATION: Agendize for April 17 Board meeting:

- 1) Receive and file Affidavit of Publication of Notice Inviting Bids for Contract GBM-2024-1; and
- 2) Accept bid and Award Contract GBM-2024-1 to BC2 Environmental LLC for an amount not to exceed \$27,500

4. **AMENDMENT 1 TO AGREEMENT 1547 WITH FALCON SERVICES FOR ABOVEGROUND GASOLINE STORAGE TANK**

RECOMMENDATION: Agendize for April 17 Board meeting: Authorize issuance of Amendment No. 1 to Agreement 1547 with Falcon Services & Construction, Inc. for an amount not to exceed \$17,923 and to extend the termination date to December 31, 2024

5. **SUNSET GAP SEAWATER INTRUSION INVESTIGATION: NOTICE OF COMPLETION FOR CONTRACT SG-2021-1 ADDITIONAL MONITORING WELL INSTALLATIONS**

RECOMMENDATION: Agendize for April 17 Board meeting: Accept completion of work and authorize filing a Notice of Completion for Contract SG-2021-1, Construction of Five Monitoring Well Clusters BS23 and BS25 through BS28

6. **EXECUTION OF SUB-GRANTEE AGREEMENT FOR ROUND 2 OF PROPOSITION 1 INTEGRATED REGIONAL WATER MANAGEMENT IMPLEMENTATION GRANT FOR GARDEN GROVE WELL 19 AND SANTA ANA WELL 31 PFAS PROJECTS**

RECOMMENDATION: Agendize for April 17 Board meeting: Execute the Sub-Grantee Agreement with SAWPA for Round 2 of Proposition 1 IRWM

Implementation Grant Program for the Orange County Regional Per
and Polyfluoroalkyl Substances (PFAS) Groundwater Treatment
Program: Cities of Garden Grove and Santa Ana Projects

END OF CONSENT CALENDAR

INFORMATIONAL ITEMS

7. PROPOSED FISCAL YEAR 2024-25 CAPITAL IMPROVEMENT PROGRAM BUDGET
8. FIELD HEADQUARTERS RECHARGE OPERATIONS UPDATE

**CHAIR DIRECTION AS TO ITEMS IF ANY TO BE AGENDIZED AS MATTERS FOR
CONSIDERATION AT THE APRIL 17 BOARD MEETING**

DIRECTORS' ANNOUNCEMENTS/REPORTS

GENERAL MANAGER'S ANNOUNCEMENTS/REPORTS

ADJOURNMENT

WATER ISSUES COMMITTEE MEMBERS

Committee Members

Bruce Whitaker - Chair
Dina Nguyen - Vice Chair
Roger Yoh
Van Tran
Erik Weigand

Alternates

Denis Bilodeau
Steve Sheldon
Natalie Meeks
Valerie Amezcua
Cathy Green

In accordance with the requirements of California Government Code Section 54954.2, this agenda has been posted at the guard shack entrance and in the main lobby of the Orange County Water District, 18700 Ward Street, Fountain Valley, CA and on the OCWD website not less than 72 hours prior to the meeting date and time above. All written materials relating to each agenda item are available for public inspection in the office of the District Secretary. Backup material for the Agenda is available at the District offices for public review and can be viewed online at the District's website: www.ocwd.com

Pursuant to the Americans with Disabilities Act, persons with a disability who require a disability-related modification or accommodation in order to participate in a meeting, including auxiliary aids or services, may request such modification or accommodation from the District Secretary at (714) 378-3234, by email at cfuller@ocwd.com by fax at (714) 378-3373. Notification 24 hours prior to the meeting will enable District staff to make reasonable arrangements to assure accessibility to the meeting.

As a general rule, agenda reports or other written documentation has been prepared or organized with respect to each item of business listed on the agenda, and can be reviewed at www.ocwd.com. Copies of these materials and other disclosable public records distributed to all or a majority of the members of the Board of Directors in connection with an open session agenda item are also on file with and available for inspection at the Office of the District Secretary, 18700 Ward Street, Fountain Valley, California, during regular business hours, 8:00 am to 5:00 pm, Monday through Friday. If such writings are distributed to members of the Board of Directors on the day of a Board meeting, the writings will be available at the entrance to the Board of Directors meeting room at the Orange County Water District office.

MINUTES OF BOARD OF DIRECTORS MEETING
WATER ISSUES COMMITTEE
ORANGE COUNTY WATER DISTRICT
March 13, 2024, @ 12:00 p.m.

Director Whitaker called the Water Issues Committee meeting to order at 12:00 p.m. in the District Boardroom. Public access was also provided via Zoom webinar. The Secretary called the roll and reported a quorum as follows:

Committee Members

Bruce Whitaker
Dina Nguyen (absent)
Roger Yoh
Van Tran
Erik Weigand

Alternates

Denis Bilodeau Arrived 12:07 p.m.
Steve Sheldon
Valeria Amezcua (absent)
Natalie Meeks (absent)
Cathy Green

OCWD

John Kennedy – General Manager
Chris Olsen – Executive Director of Engineering/Water Resources
Lisa Haney – Executive Director of Planning and Natural Resources
Adam Hutchinson – Recharge Planning Manager
Leticia Villarreal – Assistant District Secretary
Jeremy Jungreis – General Counsel

CONSENT CALENDAR

The Consent Calendar was approved upon motion by Director Yoh, seconded by Director Weigand and carried [5-0], as follows:

Ayes: *Whitaker, Yoh, Tran, Weigand, Sheldon*

1. Minutes of Water Issues Committee Meeting

The Minutes of the Water Issues Committee meeting held February 14, 2024 were approved as presented.

2. Amendments to Agreements for Emergency On-Call Repair Services

Recommended for approval at March 20 Board meeting: 1) Authorize issuance of Amendments to Agreements 1450, 1451 and 1452 with Doty Bros. Equipment Company, Inc.; W.A. Rasic Construction Company, Inc.; and TE Roberts, Inc., respectively, for Emergency On-Call Repair Services for a three-year term commencing April 1, 2024; and 2) Authorize the General Manager to initiate emergency repairs with the on-call firms for an amount not to exceed \$150,000 per emergency occurrence with Board ratification after the work is complete.

3. Ratify and Authorize Change Orders to Contract No. IRWD-2021-1-1 and Authorize Budget Increase

Recommended for approval at March 20 Board meeting: 1) Ratify issuance of Change Order Nos. 4-7, 2) Authorize issuance of Change Order No. 8; and, 3) Increase project budget by \$369,000 for a total project budget of \$7,176,000.

4. Award Contract SG-2024-1 Construction of OCWD-BS29 Monitoring Well Cluster to BC2 Environmental, LLC and Authorize Agreement to Wood Rodgers for Inspection Services

Recommended for approval at March 20 Board meeting: 1) Receive and file Affidavit of Publication of Notice Inviting Bids for Contract SG-2024-1; 2) Accept bid and award Contract No. SG-2024-1 to BC2 Environmental, LLC for an amount not to exceed \$352,605; and 3) Authorize issuance of a services agreement to Wood Rodgers for inspection services during construction of the OCWD-BS29 monitoring well cluster for an amount not to exceed \$80,646.

5. Garden Grove Wells 21, 23, 28, 29 and 30 PFAS Water Treatment Plants: Increase Project Budget
-

Recommended for approval at March 20 Board meeting: Authorize Budget Increase in the amount of \$492,300 for a total budget of \$24,336,000, for additional Construction Management and PFAS Treatment Vessel invoices received after the Notice of Completion.

INFORMATIONAL ITEMS

6. Proposed Fiscal Year 2024-25 Water Purchase Budget

Executive Director of Engineering and Water Resources Chris Olsen reported the proposed fiscal year water budget for 2024-25 totals \$6.0 million but does not include the purchase of any Metropolitan Water District (MWD) untreated full service water. He advised that the District normally budgets for and purchases untreated imported water, which currently cost \$903/acre-foot, to recharge the groundwater basin to support higher levels of groundwater pumping. He stated that in general it is a good financial strategy to budget money for MWD untreated water purchases and noted that during years when no water is purchased, this money stays in the water fund for future purchases. He reported that staff is recommending to temporarily deviate from this budgeting strategy due to several reasons which include:

- Groundwater pumping remains less than normal due to the PFAS issue;
- The recent expansion of the GWRS is providing the District with additional recharge water;
- The groundwater basin is in very good condition; and
- The recommended Replenishment Assessment increase would be higher than what is currently being considered.

He noted that staff anticipates recommending the inclusion of funding to purchase MWD untreated water in future budgets.

7. Forecast Informed Reservoir Operations (FIRO) at Prado Dam: Completion of Final Viability Assessment and Implementation Roadmap
-

Lisa Haney – Executive Director of Planning and Natural Resources and Adam Hutchinson – Recharge Planning Manager provided technical details of the Final Viability Analysis and additional implementation information. Ms. Haney covered the status of the 508 ft minor deviation at Prado Dam and presented the roadmap for integrating FIRO into the Corps Water Control Manual.

CHAIR DIRECTION AS TO ITEMS IF ANY TO BE AGENDIZED AS MATTERS FOR CONSIDERATION AT THE MARCH 20 BOARD MEETING

It was agreed to place all items on the Consent Calendar at the March 20 Board meeting.

ADJOURNMENT

There being no further business, the meeting was adjourned at 1:01 p.m.

Bruce Whitaker, Chair

AGENDA ITEM SUBMITTAL

Meeting Date: April 10, 2024

To: Water Issues Cte
Board of Directors

From: John Kennedy

Staff Contact: M. Patel / R. Raley

Budgeted: Yes

Budgeted Amount: \$70,000

Cost Estimate: \$55,000

Funding Source: 1060.53001

Program/ Line Item No.: Gen. Fund.

General Counsel Approval: N/A

Engineers/Feasibility Report: N/A

CEQA Compliance: N/A

**SUBJECT: PURCHASE ORDER TO ABM ELECTRICAL POWER SERVICES, LLC
FOR FIELD HEADQUARTERS SITE WIDE ELECTRICAL
MAINTENANCE AND TESTING**

SUMMARY

The District operates the Forebay recharge operations to maximize surface recharge of Santa Ana River stormwater, baseflow, GWRS, and imported water. The Forebay sites and conveyances rely on electrical equipment for power, to operate flow control structures, pumps, and to monitor these operations via the District's Supervisory Control and Data Acquisition (SCADA) system. The electrical equipment periodically requires preventative maintenance as prescribed in the NETA MTS specification and the NFPA 70B standard.

Attachment: ABM Quotation dated January 3, 2024

RECOMMENDATION

Agendize for April 17 Board meeting: Authorize issuance an agreement with ABM Electrical Power Services, LLC in the amount of \$54,650 for services to inspect, clean, test and certify 12 sites' power distribution equipment.

BACKGROUND/ANALYSIS

The District's surface water recharge program includes approximately 26 distinct facilities across approximately 1,600 acres. An annual average of 260,000 acre-feet of water percolates through the program's sites. The program includes 11 pump stations, 4 rubber dams, level and flow instrumentation, cameras, and a SCADA system. The electrical equipment used to power these devices and equipment requires periodic preventative maintenance and inspection to ensure its longevity and reliability. While staff performs these activities for lower voltage electrical equipment, the District outsources the work for medium voltage and 480-volt components. Sites containing this equipment includes the Burris Basin Pump Station, Anaheim Lake Pump Station, Kraemer-Miller Pump Station, Warner Basin Pump Station, Imperial Rubber Dam, Five Coves Rubber Dam, Field Headquarters, Weir #3, Weir #4, Miraloma Basin, La Palma Basin, and La Jolla Basin.

In November 2023, staff released a Request for Proposals (RFP) to qualified contractors with specific invitations to three firms. Two firms responded before the January deadline, see Table 1 for a summary of the proposal fees received. After review of the proposals and comparison of the fees, staff recommends awarding the scope of work to ABM Electrical Power Services, LLC in the amount of \$54,650.

Table 1: Recharge Electrical Maintenance Summary

Firm	Proposed Fee
ABM Electrical Power Services	\$ 54,650
Electrical Reliability Services	\$ 77,560
Halco Testing Services	No Proposal Received

PRIOR RELEVANT BOARD ACTION

N/A

AGENDA ITEM SUBMITTAL

Meeting Date: April 10, 2024

To: Water Issues Committee
Board of Directors

From: John Kennedy

Staff Contact: R. Herndon / D. Field

Budgeted: Yes

Budgeted Amount: \$45,000

Cost Estimate: \$27,500

Funding Source: R&R

Program/ Line Item No.: R23031

General Counsel Approval: N/A

Engineers/Feasibility Report: N/A

CEQA Compliance: Yes

**Subject: AWARD CONTRACT GBM-2024-1 DESTRUCTION OF MONITORING
WELLS AM-29A AND MCAS-10**

SUMMARY

Bids for destruction of monitoring wells AM-29A and MCAS-10 were received on April 2, 2024. Staff recommends awarding the contract to the lowest responsive bidder BC2 Environmental LLC.

RECOMMENDATION

Agendize for April 17 Board meeting:

1. Receive and file Affidavit of Publication of Notice Inviting Bids for Contract GBM-2024-1; and
2. Accept bid and Award Contract GBM-2024-1 to BC2 Environmental LLC for an amount not to exceed \$27,500.

BACKGROUND/ANALYSIS

AM-29A

Monitoring well AM-29A was constructed by the Orange County Transportation Authority (OCTA) in 1992 to a depth of 97 feet. When constructed, OCTA named this well MW-1. This perched aquifer well was installed to investigate an underground storage tank leak on OCTA property. Attached Figure 1 shows the location of the well.

In 1999, OCWD and OCTA executed an agreement whereby OCWD accepted responsibility for the well and renamed it AM-29A. Between 1999 and 2017, OCWD used this well to monitor groundwater levels and quality in the North Basin area. OCWD stopped monitoring AM-29A in 2017 because no significant contamination had been detected in the well, and the well is too shallow to provide useful long-term groundwater level data for the regional Shallow Aquifer. For these reasons, staff has determined that the well should be properly destroyed and sealed.

MCAS-10

Monitoring well MCAS-10 was constructed by OCWD in 1989 to a depth of 389 feet to investigate the extent of the TCE plume that originated from the former Marine Corps Air Station El Toro and to characterize the local hydrogeology. Attached Figure 2 shows the location of MCAS-10. OCWD and the Department of the Navy (Navy) have used this well to monitor groundwater levels and quality. TCE has not been detected at well MCAS-10.

In recent years, OCWD staff observed that the well's purge rate during sampling has decreased appreciably to the point that the well draws down significantly and takes an inordinate amount of time to recover before a sample can be collected. Down-hole videos have shown that the mild steel well casing is heavily corroded and impacted by chemical and biological encrustation. An attempt by OCWD staff to redevelop the well was unsuccessful.

Based on the age, materials of construction, and field observations, staff has concluded that the well has reached the end of its useful life and should be properly destroyed and sealed. Navy staff agrees with our recommendation for destruction, and a replacement well is not currently proposed.

In July 2023, the Board authorized staff to issue a Notice Inviting Bids (NIB) for destruction of monitoring wells AM-29A and MCAS-10. The NIB for Contract GBM-2024-1 was issued on February 20, 2024. The following responsive bids were received on April 2, 2024:

BC2 Environmental, LLC	\$ 27,500
ABC Liovin Drilling, LLC	\$ 78,750
Arsenal Well Drilling Inc.	\$ 285,000

All bids are deemed responsive. The lowest responsive bid from BC2 Environmental LLC in the amount of \$27,500 is less than the geologist's estimate of \$45,000. Staff recommends awarding the contract to BC2 Environmental LLC.

Table 1 below summarizes the approved budget and anticipated expenditures. Anticipated project expenditures incorporating the recent bid show the project is expected to be completed within the approved budget.

Table 1: Monitoring Wells AM-29A and MCAS-10 Destruction Budget

Task	Approved Budget	Anticipated Expenditures
AM-29A Destruction	\$ 22,000	\$ 10,750
MCAS-10 Destruction	23,000	16,750
Destruction Inspection Services ¹	0	0
PROJECT TOTAL:	\$ 45,000	\$ 27,500

¹Inspection services to be completed in-house by OCWD geologists.

PRIOR RELEVANT BOARD ACTIONS

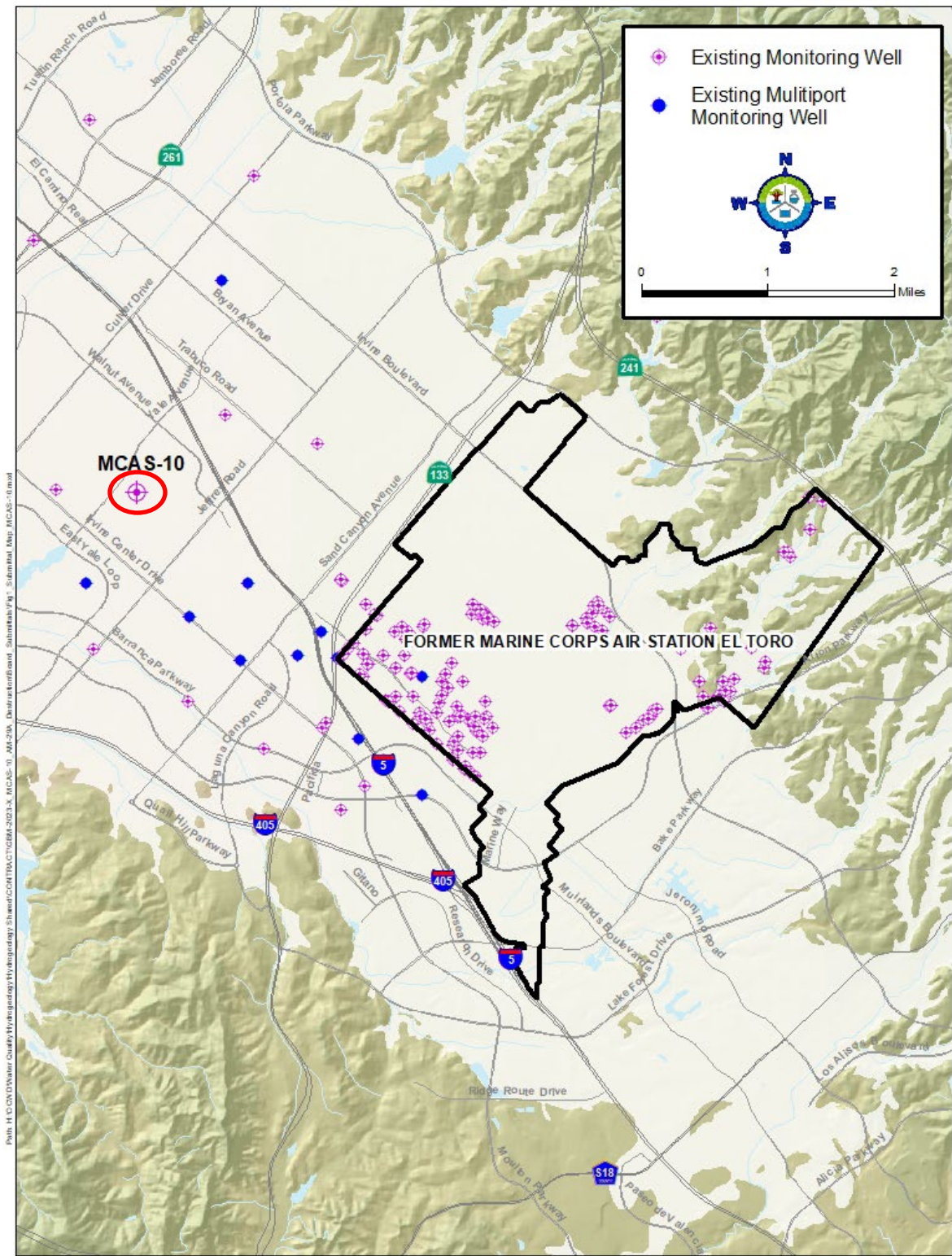
7/19/23, R23-7-90 Authorize destruction of monitoring wells AM-29A and MCAS-10.

1/6/99, R99-1-1 Accept and authorize execution of Agreement with OCTA for transfer of responsibility for monitoring well MW-1 (renamed AM-29A).

2/22/89, R88-2-22 Accept proposal and authorize issuance of purchase order to Beylik Drilling/Welenco for well testing services in connection with El Toro USMCAS TCE investigation.

Path: H:\CCN\0\Water Quality\Hydrogeology\Shand\CONTRACT\CBM-2023-X_AM42_DM-5_IDM-4\Natl_Design\Fig2_Submittal_Map_AM-29A.mxd

Figure 2: MCAS-10 Location



THE ORANGE COUNTY
REGISTER
1920 Main Street, Suite 209
Irvine, California 92614
(714) 796-7000
legals@inlandnewspapers.com

Orange County Water District
18700 Ward Street
Fountain Valley, California 92708

Account Number:	5179533
Ad Order Number:	0011649177
Customer's Reference/PO Number:	
Publication:	The Orange County Register
Publication Dates:	02/20/2024
Total Amount:	\$4433.12
Payment Amount:	\$0.00
Amount Due:	\$4433.12
Notice ID:	iExBu3UcXXOTrXrpoGV0
Invoice Text:	<p>Destruction of Monitoring Wells CONTRACT NO. GBM-2024-1 PLEASE TAKE NOTICE that sealed bids will be received at the office of the Contracts Administrator of the Orange County Water District ("District"), 18700 Ward Street, Fountain Valley, CA 92708 (mailing address: P.O. Box 8300, Fountain Valley, CA 92728-8300), until 1:00 p.m. local time on Tuesday, April 2, 2024 at which time the bids will be publicly opened and read aloud for performing all work and furnishing all labor, materials and equipment for: The work to be performed and bid complete herein, shall be as shown and specified in the Technical Specifications and on the Plans (Figures) and is generally described as supplying all labor, equipment, materials and forces necessary to complete work on destruction of monitoring wells AM-29A and MCAS-10 in the cities of Anaheim and Irvine, respectively (Figures) under Contract No. GBM-2024-1. The wells shall be destroyed in compliance with the latest edition or supplement of: State of California Water Well Standards, Bulletin No. 74-81 dated December 1981 and Bulletin No. 74-90 dated June 1991, local modifications to these Standards and Sections 13800 through 13806 of the California Water Code. The Work is to be done in accordance with the plans, specifications and contract documents on file in the District office, 18700 Ward Street, Fountain Valley, California, which plans and specifications are designated as above, and which documents are by this reference incorporated herein. NON-MANDATORY PREBID CONFERENCE: A pre-bid conference will be held at the District Office, 18700 Ward Street, Fountain Valley, CA on Tuesday, March 12, 2024, at 10:00 a.m. In addition, an optional remote pre-bid conference will be offered, via Zoom service. Link to meeting:</p>

THE ORANGE COUNTY
REGISTER
The Orange County Register
1920 Main Street, Suite 209
Irvine, California 92614
(714) 796-7000

0011649177

Orange County Water District
18700 Ward Street
Fountain Valley, California 92708

**PROOF OF PUBLICATION
(2015.5 C.C.P.)**

**STATE OF CALIFORNIA
County of Orange**

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not party to or interested in the above-entitled matter. I am the principal clerk of the printer of The Orange County Register, a newspaper of general circulation, printed and published in the City of Irvine*, County of Orange, and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of County of Orange, State of California, under the date of November 19, 1905, Case No.A-21046. The notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to wit:

02/20/2024

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

Dated at Irvine, California

On this 20th day of February, 2024.


Signature

**Destruction of Monitoring Wells
CONTRACT NO. GBM-2024-1**

PLEASE TAKE NOTICE that sealed bids will be received at the office of the Contracts Administrator of the Orange County Water District ("District"), 18700 Ward Street, Fountain Valley, CA 92708 (mailing address: P.O. Box 8300, Fountain Valley, CA 92728-8300), until 1:00 p.m. local time on Tuesday, April 2, 2024 at which time the bids will be publicly opened and read aloud for performing all work and furnishing all labor, materials and equipment for:

The work to be performed and bid complete herein, shall be as shown and specified in the Technical Specifications and on the Plans (Figures) and is generally described as supplying all labor, equipment, materials and forces necessary to complete work on destruction of monitoring wells AM-29A and MCAS-10 in the cities of Anaheim and Irvine, respectively (Figures) under Contract No. GBM-2024-1.

The wells shall be destroyed in compliance with the latest edition or supplement of: State of California Water Well Standards, Bulletin No. 74-81 dated December 1981 and Bulletin No. 74-90 dated June 1991, local modifications to these Standards and Sections 13800 through 13806 of the California Water Code.

The Work is to be done in accordance with the plans, specifications and contract documents on file in the District office, 18700 Ward Street, Fountain Valley, California, which plans and specifications are designated as above, and which documents are by this reference incorporated herein.

NON-MANDATORY PREBID CONFERENCE: A pre-bid conference will be held at the District Office, 18700 Ward Street, Fountain Valley, CA on Tuesday, March 12, 2024, at 10:00 a.m. In addition, an optional remote pre-bid conference will be offered, via Zoom service. Link to meeting: <https://ocwd.zoom.us/j/86165553078> Meeting ID Number: 861 6555 3078. All potential bidders, contractors and other interested parties are encouraged to attend this conference conducted by the District and Engineer. Any potential bidder that does not attend the pre-bid conference will be charged with knowledge of all information that was available at the pre-bid conference.

The District Project Manager will also discuss the role and participation of potential bidders in the District's Contractor Safety Program. Also as a part of this program, the OCWD Pre-Award Safety Review form (Exhibit B of the Contractor Safety Procedures) will be discussed in greater detail.

COMPLETION OF WORK AND LIQUIDATED DAMAGES: All Work must be substantially completed within sixty (60) consecutive calendar days from the date of the Notice to Proceed issued by the District. Failure to complete the Work within the time set forth herein will result in the imposition of liquidated damages for each day of delay, in the amount set forth in the Information for Bidders.

OBTAINING CONTRACT DOCUMENTS: Plans and specifications and all contract documents must be purchased through HB Digital at www.ocwdplanroom.com. Payment will not be refunded and the plans and specifications and contract documents are not required to be returned.

BID GUARANTEE: Each Bid shall be accompanied by one of the following: a certified or cashier's check, or bid bond in an amount not less than ten percent (10%) of the total bid price, payable to the Orange County Water District, as a guarantee that the Bidder, if its Bid is accepted, shall promptly execute the Agreement, furnish a satisfactory Faithful Performance Bond in an amount not less than one hundred percent (100%) of the total bid price, furnish a Labor and Material Bond in an amount not less than one hundred percent (100%) of the total bid price, and furnish certificates

evidencing that the required Insurance is in effect in the amounts set forth in the Insurance Conditions. The Faithful Performance Bond shall remain in full force and effect through the guarantee period as specified in the General Provisions. All surety companies shall be admitted surety insurers and shall comply with the provisions of Code of Civil Procedure Section 995.630.

WAGE RATE: As required by Section 1773 of the California Labor Code, the Director of the Department of Industrial Relations of the State of California has determined the general prevailing rates of wages in the locality in which the Work is to be performed. The prevailing wage determinations are available at the following web site: <http://www.dir.ca.gov/OPRL/DPreWageDetermination.htm>. The Contractor and any subcontractor under it shall not pay less than the specified prevailing rates of wages to all workers employed in the execution of the Contract.

PROJECT ADMINISTRATION: All questions relative to this project prior to the opening of bids shall be directed, in writing, to the Engineer for the project:

ORANGE COUNTY WATER DISTRICT
18700 Ward Street
Fountain Valley, CA 92708

Mailing Address:
P.O. Box 8300
Fountain Valley, CA 92728-8300

Attention: David Field
Email: dfield@ocwd.com
Phone Number: 714/378-3200

SUBSTITUTION OF SECURITIES: At the request and expense of the successful bidder, the District will pay the amounts retained pursuant to the contract documents as security for the completion of the Work in compliance with the requirements of Public Contract Code Section 22300 and the provisions of the General Provisions pertaining to "Substitution of Securities."

CONTRACTOR'S LICENSE SPECIFICATION: In accordance with the provisions of California Public Contract Code Section 3300, the District requires that the bidder possess the following classification of contractor's license at the time that the bid proposal is submitted: Class C-57. If the license classification specified hereinabove is that of a "specialty contractor" as defined in Section 7058 of the California Business and Professions Code, the specialty contractor awarded the Contract for this Work shall itself construct a majority of the Work, in accordance with the provisions of California Business and Professions Code Section 7059. Each bidder shall clearly write or type their contractor's license number on the outside of the bidding envelope.

CONTRACTOR'S REGISTRATION: In accordance with Labor Code Section 1771.1.a, contractor or subcontractor shall not be qualified to bid on or be listed in a bid proposal or engage in the performance of this Work unless currently registered and qualified to perform the Work pursuant to Labor Code Section 1725.5.

COMPLIANCE MONITORING AND ENFORCEMENT: Contractor's performance of the Work described in this Notice Inviting Bids is subject to compliance monitoring and enforcement by the California Department of Industrial Relations.

SHEETING, SHORING AND BRACING: Pursuant to the provisions of California Labor Code Section 6707, each bid submitted in response to this Notice Inviting Bids shall contain, as a bid item, adequate sheeting, shoring, and bracing, or equivalent method, for the protection of life and limb in trenches and open excavation, which shall conform to applicable safety orders.

CONTRACTOR SAFETY PROGRAM: The District has instituted a Contractor Safety Program to

comply with Cal/OSHA's Multi-Employer Workplace Standards. A copy of the District's Contractor Health & Safety Handbook is appended as Exhibit B of these contract documents. Potential bidders are strongly encouraged to familiarize themselves with this handbook and complete and submit appropriate forms with their bid proposal as indicated.

DISTRICT'S RIGHTS RESERVED: The Orange County Water District reserves the right to reject any or all bids, and to waive any informality in any bid.

ORANGE COUNTY WATER DISTRICT
John C. Kennedy, General Manager

The Orange County Register
Published: 2/20/24

AGENDA ITEM SUBMITTAL

Meeting Date: April 10, 2024

To: Water Issues Committee/
Board of Directors

From: John Kennedy

Staff Contact: M. Patel / B. Smith

Budgeted: Yes

Budgeted Amount: \$120,000

Cost Estimate: \$115,492

Funding Source: R&R

Program/Line Item No.: R23017

General Counsel Approval: N/A

Engineers Report: N/A

CEQA Compliance: Cat. Ex.

Subject: AMENDMENT 1 TO AGREEMENT 1547 WITH FALCON SERVICES FOR ABOVEGROUND GASOLINE STORAGE TANK

SUMMARY

The underground gasoline storage tank located at Field Headquarters was removed in 2022. An agreement to procure and install an aboveground tank replacement was executed in September 2023. The execution of the project has taken longer than expected so the agreement term needs to be extended and the contractor is going to pay the permitting fees directly to expedite the process.

RECOMMENDATION

Agendize for April 17 Board Meeting: Authorize issuance of Amendment No. 1 to Agreement 1547 with Falcon Services & Construction, Inc. for an amount not to exceed \$17,923 and to extend the termination date to December 31, 2024.

BACKGROUND/ANALYSIS

The 2,500 gallon gasoline underground storage tank (UST) located at Field Headquarters (FHQ) did not pass pressure tests in 2021. The Anaheim Fire & Rescue Hazardous Materials Section issued Correction Notices to the District requiring removal of the gasoline and tank. The District awarded a contract for removal of the UST and the scope was executed in the summer of 2022. No contamination was observed during the removal of the UST, nor detected in the soil samples analyzed by a third-party laboratory.

The gasoline tank and dispenser have been used at FHQ since the 1980's to supply gasoline for District vehicles and equipment under typical operations and as an emergency supply for potential disaster response. The on-site tank is a cost saving measure because the District can bulk purchase gasoline at a discounted rate.

An agreement for a new 1,000 gallon gasoline aboveground storage tank (AST) was issued in September 2023 to Falcon Services & Construction, Inc. The regulatory requirements for an AST are less stringent than a UST, and potential leaks can be immediately observed in the AST arrangement versus having to be indirectly tested for with a UST arrangement. Permitting for the project has taken longer than anticipated and the original agreement term has expired. To expedite the permitting process, the

payment of permitting fees is being shifted to the contractor instead of being paid directly by the District. Additionally, the bollards surrounding the tank have been changed to be removable, which is a cost increase for the tank installation. Staff recommends extending the agreement term through the end of the calendar year and increasing the agreement amount by \$17,923 to a total of \$115,492. The project's budget is shown in Table 1.

Table 1: AST Project Budget Summary

Description	Budget 8/16/2023	Revised Budget
AST Scope of Work (Falcon Services)	\$ 97,569	\$ 115,492
Regulatory Permitting	\$ 15,000	-
Contingency	\$ 7,431	\$ 4,508
Total Project Budget	\$ 120,000	\$ 120,000

PRIOR RELEVANT BOARD ACTIONS

R23-8-105, 8/16/2023: Issuance of an Agreement is authorized to Falcon Services & Construction, Inc. for Installation of Aboveground Gasoline Storage Tank; In accordance with the California Environmental Quality Act (CEQA) guidelines filing of a Categorical Exemption for the installation of an aboveground Gasoline Storage Tank is authorized; A project budget for the Aboveground Gasoline Storage Tank is hereby established in the amount of \$120,000.

R22-5-58, 5/18/2022: Issuance of an Agreement is authorized to Cardno for Removal of Gasoline Underground Storage Tank for \$71,281; In accordance with the California Environmental Quality Act (CEQA) guidelines filing of a Categorical Exemption for the Removal of Gasoline Underground Storage Tank is Authorized; A project budget for the budget for the Removal of Gasoline Underground Storage Tank is hereby established in the amount of \$75,000.

AGENDA ITEM SUBMITTAL

Meeting Date: April 10, 2024

To: Water Issues Committee/
Board of Directors

From: John Kennedy

Staff Contact: R. Herndon/G. Yoshiba

Budgeted: Yes

Budgeted Amount: \$1,285,000

Final Cost: \$972,030

Funding Source: CIP

Program/ Line Item No.: C18005

General Counsel Approval: N/A

Engineers/Feasibility Report: Yes

CEQA Compliance: Yes

Subject: SUNSET GAP SEAWATER INTRUSION INVESTIGATION: NOTICE OF COMPLETION FOR CONTRACT SG-2021-1 ADDITIONAL MONITORING WELL INSTALLATIONS

SUMMARY

BC2 Environmental, LLC, (BC2) has completed all work under Contract SG-2021-1 for the installation of 11 monitoring wells at five sites located in the cities of Seal Beach and Huntington Beach. The final contract cost was \$972,030, which is \$101,315 under the contracted amount and \$312,700 under the Board-approved budget.

RECOMMENDATIONS

Agendize for April 17 Board meeting: Accept completion of work and authorize filing a Notice of Completion for Contract SG-2021-1, Construction of Five Monitoring Well Clusters BS23 and BS25 through BS28.

BACKGROUND/ANALYSIS

OCWD has been actively investigating the nature and extent of seawater intrusion in the Sunset Gap since 2010, including the installation of nine multi-depth monitoring well clusters within the Naval Weapons Station Seal Beach (NWSSB).

In October 2020 the Board approved the staff's recommendation to install 11 additional clustered monitoring wells at five locations: one site in Seal Beach (BS25) and four in Huntington Beach (BS23, BS26, BS27 and BS28) (**Figure 1**). By January 2022, nine monitoring wells were constructed. In parallel, OCWD was in the process of obtaining a State Coastal Commission (Commission) development permit for a two-well cluster site (BS25) in the City of Seal Beach. However, Commission staff were not going to recommend approval of the permit due to concerns of the local Native American tribe. Consequently, OCWD decided to move well site BS25 from its original planned location to nearby NWSSB. OCWD staff obtained permission from NWSSB and in January 2024, after a two-year delay, monitoring wells BS25A and BS25B were successfully installed.

Change Orders 1 through 7 are described below and their costs are shown on Table 1. Change Orders 1 through 7 were executed under the General Manager's authority.

Change Order No. 1

This change order was for out-of-scope costs for sound panel installation and breakdown at well site BS27 that is located adjacent to a business office and required setup modifications to secure the panels on an existing sloped landscape. Costs also included landscape repairs. The increase to the contract was \$14,000.

Change Order No. 2

This change order was for out-of-scope costs for the implementation of a nuclear magnetic resonance (NMR) logging tool in borehole BS23B to augment lithologic resolution for interpretation. Saline groundwater can affect standard geophysical logs and result in a misinterpretation of the lithology. The NMR log provided detailed lithologic information regardless of formation salinity which greatly enhanced the geologic interpretation. The increase to the contract was \$3,300.

Change Order No. 3

This change order extended the contract completion schedule for an additional 100 days for delays beyond the Contractor's control and did not include a cost increase.

Change Order No. 4

This change order extended the contract completion schedule for an additional 290 days for delays beyond the Contractor's control and did not include a cost increase.

Change Order No. 5

This change order included:

1. Reduce Bid Item 27 by 50 hours, Well Development: -\$27,500.
2. Costs for out-of-scope work, including NWSSB security and access requirements (security clearances, badging of personnel, and pre-construction safety meeting with NWSSB personnel), and increased operating and materials costs due to the unanticipated one-year delay in the project.
3. The net increase to the contract was \$13,190.

Change Order No. 6

This change order included the following:

1. Increase cost of \$4,125 for NMR logging due to inflation during the

unanticipated 1½-year delay in the project.

2. Extend contract completion schedule for an additional 185 days.

Change Order No. 7

Bid item adjustments were made to reconcile the original bid quantities with the actual quantities of work/materials completed/installed. Several large line-item reductions were identified under waste disposal, well development (mechanical, submersible pumping), and chemical development. All the well casings 'cleaned up' faster than anticipated, and chemical treatments were not deemed necessary during well development resulting in a total cost savings of about \$50,000. In addition, total drilling fluids and soil waste disposal charges were approximately \$39,000 less than originally estimated. The total of these adjustments resulted in a contract cost reduction of \$101,315.

BC2 has completed all work under Contract SG-2021-1. Staff recommends Board approval to accept completion of the work and authorize filing a Notice of Completion for Contract SB-2021-1.

Project Cost Summary

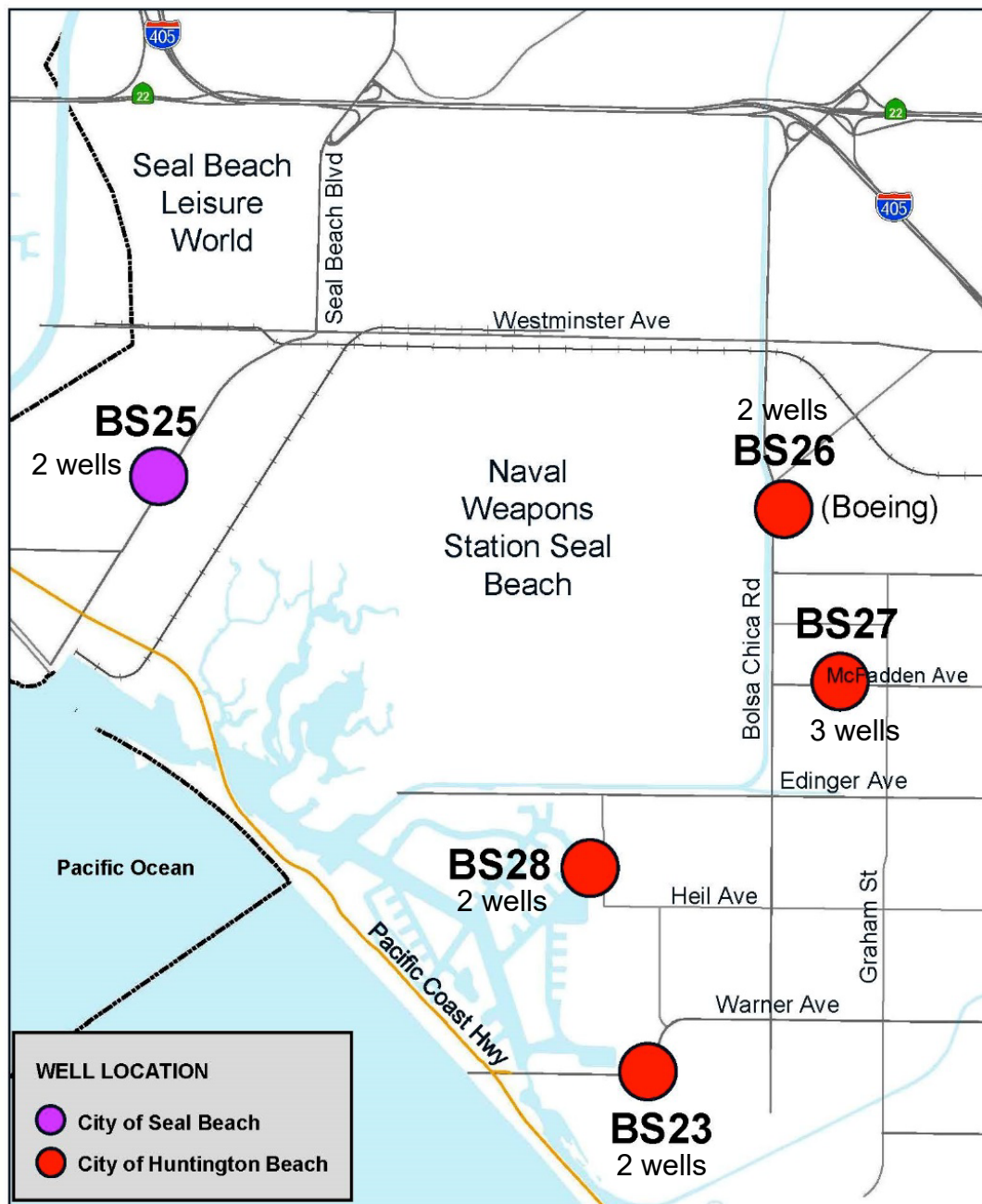
With completion of the drilling and well construction contract, the outstanding project tasks are to receive the draft Sunset Gap monitoring well construction report from construction management consultant ENGEO, staff's review, and ENGEO finalization of the report. The project is anticipated to be completed within the Board-approved budget as shown in Table 1 below.

Table 1. Project Budget and Anticipated Costs

Item Description	Approved Budget	Completed Work & Anticipated Expenditures
Pre-Design/Pre-Construction		
- Underground Utility Clearance (BS26 only)	\$ 2,000	\$ 1,235
- Legal Descriptions for Boeing Agreement Site BS26	8,000	7,750
Design & Construction		
- Monitoring Well Construction (Contract SG-2021-1)	1,285,000	1,038,730
➤ Change Order No. 1 (sound panels @ BS27)	---	14,000
➤ Change Order No. 2 (NMR borehole logging)	---	3,300
➤ Change Order No. 3 (extend contract 100 days)	---	---
➤ Change Order No. 4 (extend contract 290 days)	---	---
➤ Change Order No. 5 (revised cost schedule & line-item deduction)	---	13,190
➤ Change Order No. 6 (NMR cost increase & extend contract)	---	4,125
➤ Change Order No. 7 (Bid Item Adjustments)	---	(101,315)
<i>Monitoring Well Construction Subtotal:</i>	<i>1,285,000</i>	<i>972,030</i>
- ENGEO Agreement No. 1445 (Construction Management, Utility Clearance & Well Surveying)	153,000	198,347
➤ Amendment No. 1	---	20,290
<i>Construction Management Subtotal:</i>	<i>153,000</i>	<i>218,637</i>
- Native American Agreement & Monitoring	8,000	4,000
- Community Outreach	1,000	1,000
- Navy Easement Agreement Fee for new BS25 site	---	4,200
<i>Project Subtotal</i>	<i>\$ 1,457,000</i>	<i>\$ 1,208,852</i>
Contingency (10%)	143,000	2,000 ^(a)
Total Project	\$ 1,600,000	\$ 1,210,852

(a) 10% of remaining work.

Figure 1: Eleven clustered monitoring wells at five sites in the cities of Seal Beach and Huntington Beach (all wells completed except the well pair at site BS25).



PRIOR RELEVANT BOARD ACTIONS

9/20/23 R23-9-124 - Authorize the General Manager to negotiate an agreement with Kizh Nation Resources Management for Native American Monitoring Services for the Sunset Gap Seawater Intrusion Investigation Monitoring Well BS25 Construction Project, with a fee amount not to exceed \$4,000.

12/21/22 R22-12-170 - Adopt the attached resolution, which includes the following actions: (1) Adopt the Addendum to the Mitigated Negative Declaration; (2) Authorize issuance of Amendment No. 1 in the amount of \$20,290 to Agreement No. 1445 with ENGEO for out-of-scope field oversight tasks and time delay-related increases in its rate schedule, for a new total agreement amount not to exceed \$218,637; (3) Authorize staff to file a Notice of Determination; and (4) Authorize staff to complete the regulatory permitting process with the applicable resource agencies.

6/15/22 R22-6-74 - Authorize execution of License Agreement N62473-22-RP-00085 with the Department of the Navy and payment of fee to the Navy in the amount of \$4,200 for the continued monitoring of existing District monitoring wells and installation of two additional monitoring wells at the Naval Weapons Station Seal Beach.

6/16/21 R-21-6-90 - Receive and file Affidavit of Publication of Notice Inviting Bids for Contract No. SG-2021-1; Waive the BC2 Environmental, LLC inconsequential bid informalities; and Accept bid and award Contract SG-2021-1 to BC2 Environmental, LLC for an amount not to exceed \$1,038,730.

1/20/21 R21-1-6 – Authorize issuance of a services agreement to ENGEO for construction management and surveying services during the installation of additional Sunset Gap monitoring wells for an amount not to exceed \$198,347.

10/21/20 R20-10-140 - Adopt resolution certifying the Final IS/MND, authorizing to file the Notice of Determination, approving the Geologist's Report, approving the proposed Sunset Gap Additional Monitoring Well Project, establishing a project budget of \$1,600,000, authorizing issuance of a Notice Inviting Bids for well construction, authorizing necessary permitting documents by the General Manager from regulatory agencies, and authorizing issuance of an RFP for construction management services.

8/5/20 R20-8-97 – Authorize execution of a 30-year no-fee License Agreement for proposed monitoring wells OCWD-BS26A and OCWD-BS26B with The Boeing Company for well construction, monitoring, and maintenance.

11/20/19 R19-11-141 – Ratify issuance of Change Order Nos. 1 and 2; and Accept completion of work and authorize filing a Notice of Completion for Contract No. SG-2018-1, Construction of OCWD-BS13 and OCWD-BS24 Monitoring Well Clusters.

8/15/18 R18-8-112 – Receive and file Affidavit of Publication of Notice Inviting Bids for Contract No. SG-2018-1; Accept bid and award Contract No. SG-2018-1 to ABC Liovin Drilling, Inc. for an amount not to exceed \$807,646; and Authorize issuance of services agreement to Geotechnical Consultants, Inc. for inspection services during construction of the OCWD-BS13 and OCWD-BS24 monitoring well clusters for an amount not to exceed \$203,000.

2/21/18 R18-2-12 – Adopt the Final Initial Study/Mitigated Negative Declaration for Sunset Gap Monitoring Well Clusters BS13 and BS24, and the Bolsa Chica Channel Levee Repair Project; Approve the proposed construction of BS13 and BS24 Monitoring

Well Clusters and proposed repairs to the Bolsa Chica Flood Control Levee; Authorize a budget increase in the amount of \$1,648,771 to establish a revised project budget of \$4,054,711 covering R7R projects R12030 and R14026, and complete capital project C13005; Authorize issuance of a Request for Proposals for inspection services during the construction of BS13 and BS24 well clusters; Authorize issuance of the Notice Inviting Bids for construction of BS13 and BS24 Monitoring Well Clusters; Authorize issuance of the Notice Inviting Bids for Repair of the Bolsa Chica Flood Channel; and Authorize staff to file the Notice of Determination.

2/15/17 R17-2-11 – Authorize issuance of Amendment No. 2 to Agreement No. 1087 with Ninyo & Moore in the amount of \$20,789 for additional out-of-scope geotechnical services required for the OCWD-BS13 well site geotechnical investigation.

12/7/16 R16-12-168 – Award Contract SG-2016-1 for monitoring well OCWD-BS24C construction to BEKS Acquisition Inc. dba BC2 Environmental in the amount of \$177,425.

10/19/16 R16-10-144 – Authorize Notice Inviting Bids for Contract No. SG-2016-1 monitoring well OCWD-BS24C construction.

10/19/16 R16-10-143 – Authorize General Manager to execute an amendment to Contract SG-2015-1 to reflect Change Order No. 1 for out-of-scope costs associated with the destruction of the OCWD-BSO9 monitoring wells and abandonment of the OCWD-BS24 borehole and to terminate the contract without fault to either party.

9/16/16 R15-9-123 – Award Contract SG-2015-1 for destruction of Sunset Gap OCWD-BSO9 monitoring wells and construction of replacement monitoring well OCWD-BS24 to Cascade Drilling in the amount of \$464,074.

7/20/16 R16-7-102 – Authorize issuance of agreement to Intera, Inc., in an amount not to exceed \$135,032, to expand and recalibrate the Alamitos Gap groundwater model into the Sunset Gap.

5/18/16 R16-5-61 – Authorize Amendment No. 1 in the amount of \$19,904 to agreement with Ninyo & Moore for geotechnical investigation.

4/20/16 R16-4-41 – Approve Department of Navy license agreements for monitoring wells and geotechnical investigation at Naval Weapons Station and authorize payment of fees.

6/17/15 R15-6-77 – Authorize filing Notice of Exemption for the construction of monitoring well BS24; authorize destruction of monitoring wells BSO9A, BSO9B and BSO9C, and construction of replacement monitoring well OCWD-BS24; and authorize issuance of Amendment No. 2 to Agreement No. 0958 with CDM Smith in the amount of \$56,550 for additional field inspection services required for the destruction of BSO9A, BSO9B and BSO9C, and construction of monitoring well OCWD-BS24.

6/17/15 R15-6-81 – Authorize issuance of Amendment No. 1 to Agreement No. 0958 with CDM Smith in the amount of \$127,935 for additional field inspection services required for the Sunset Gap Project and issuance of agreement to Ninyo & Moore for geotechnical services at the OCWD-BS13 well site for an amount not to exceed \$58,078.

3/15/15 R15-3-30 – Approve modification to license agreement with the Department of the Navy for the Sunset Gap Seawater Intrusion Investigation.

5/21/14 R14-5-66 – Award Contract No. SG-2014-1 to Yellow Jacket Drilling for \$1,477,295 for construction of six monitoring wells and destruction of three monitoring wells.

12/18/13 R13-12-00 – Authorize agreement with CDM Smith for an amount not to exceed \$194,117 for construction management of the Sunset Gap monitoring well installations and destructions.

9/18/13 R13-9-121 – Receive and file Geologist's Report and approve Sunset Gap Groundwater Investigation including the construction of four new monitoring wells, two replacement monitoring wells, and destruction of three unusable monitoring wells for a combined capital and R&R budget of \$1,896,400; authorize issuance of a RFP for field inspection services; authorize filing a Notice of Determination.

6/20/12 R12-6-70 – Authorize application for California Department of Water Resources Local Groundwater Assistance Grant.

AGENDA ITEM SUBMITTAL

Meeting Date: April 10, 2024

To: Water Issues Committee
Board of Directors

From: John Kennedy

Staff Contact: C. Olsen/L. Tan

Budgeted: N/A

Budgeted Amount: N/A

Cost Estimate: N/A

Funding Source: N/A

Program/Line Item No.: N/A

General Counsel Approval: Yes

Engineers/Feasibility Report: N/A

CEQA Compliance: N/A

**Subject: EXECUTION OF SUB-GRANTEE AGREEMENT FOR ROUND 2 OF
PROPOSITION 1 INTEGRATED REGIONAL WATER MANAGEMENT
IMPLEMENTATION GRANT FOR GARDEN GROVE WELL 19 AND SANTA
ANA WELL 31 PFAS PROJECTS**

SUMMARY

The District's grant application for the Proposition 1 Round 2 Integrated Regional Water Management (IRWM) Implementation Grant Program for the Garden Grove well 19 and Santa Ana well 31 PFAS projects was approved by the Department of Water Resources (DWR) in 2023. The amount of the grant is \$4,200,000 which is administered by the DWR through SAWPA.

Attachment: Sub-Grantee Agreement of Round 2 of Proposition 1 IRWM Implementation Grant Program for the Orange County Regional Per and Polyfluoroalkyl Substances (PFAS) Groundwater Treatment Program: Cities of Garden Grove and Santa Ana Projects.

RECOMMENDATION

Agendize for April 17 Board meeting: Execute the Sub-Grantee Agreement with SAWPA for Round 2 of Proposition 1 IRWM Implementation Grant Program for the Orange County Regional Per and Polyfluoroalkyl Substances (PFAS) Groundwater Treatment Program: Cities of Garden Grove and Santa Ana Projects.

DISCUSSION/ANALYSIS

The IRWM Implementation Grant program is a unique funding program which requires project partnership and collaboration and multiple project benefits. The District has successfully obtained grant fundings from the IRWM Implementation Grant Program since its inception. The District's PFAS groundwater treatment projects to be performed at Garden Grove well 19 and Santa Ana well 31 meet the IRWM Grant funding requirements and was awarded a Proposition 1 IRWM Implementation Grant in the amount of \$4,200,000.

PRIOR RELEVANT BOARD ACTION

R22-3-20 Approval of Authorization Resolution at 3-2-2022 Board Meeting authorizing the

Proposition 1 grant application, acceptance and execution for the Orange County Regional PFAS Groundwater Treatment program: Cities of Garden Grove and Santa Ana Projects.

PROPOSITION 1 ROUND 2 INTEGRATED REGIONAL WATER MANAGEMENT
IMPLEMENTATION GRANT

GRANT FUNDING CONTRACT
BETWEEN THE

SANTA ANA WATERSHED PROJECT AUTHORITY

AND

ORANGE COUNTY WATER DISTRICT

This Proposition 1 Round 2 Integrated Regional Water Management Program ("IRWMP") Implementation Grant Funding Contract ("Contract") is made between Santa Ana Watershed Project Authority ("SAWPA"), and Orange County Water District, (the "Sub-Grantee" or "OCWD"). SAWPA and the Sub-Grantee may be individually referred to as "Party", and collectively referred to as the "Parties".

WHEREAS, Section 79740 et seq. of the Water Code authorized approximately \$510 million to assist water infrastructure systems adapt to climate change, and to provide incentives for water agencies to collaborate in managing the region's water resources and setting regional priorities for water infrastructure, improve regional water self-reliance, and reduce reliance on the Sacramento-San Joaquin Delta;

WHEREAS, on January 10, 2024, the California Department of Water Resources ("DWR") and SAWPA entered into a Proposition 1 Round 2 Integrated Regional Water Management Implementation Grant Agreement No. 4600015418 ("Grant Agreement"), attached hereto as **Attachment A**, providing that SAWPA would serve as the program manager for the \$29,058,570 in IRWMP grant funds to be disbursed to certain Sub-Grantees including OCWD, consistent with IRWMP and California Environmental Quality Act ("CEQA") requirements, and ensuring that the maximum benefit of such funds are realized in the Santa Ana River Watershed; and

WHEREAS, consistent with the Grant Agreement, SAWPA intends to disburse to the Sub-Grantee a portion of the \$29,058,570 in IRWMP grant funds for its project component (as described in Section 1 below) by way of this Grant Funding Contract with the Sub-Grantee.

THEREFORE, based on the foregoing incorporated recitals and in consideration of the mutual covenants and conditions set forth in this Contract, the Parties hereby agree to the following:

SECTION 1. PROJECT DESCRIPTION

The Sub-Grantee's Project is the component described in the IRWMP Grant Agreement as **Orange Country PFAS Groundwater Treatment Program**. The project will install two ion exchange well-head treatments at Garden Grove Well 19 and Santa Ana Well 31 to remove Per- and Polyfluorinated Substances (PFAS). The treated groundwater from Wells 19 and 31 will be disinfected through an advanced treatment process of ion exchange and delivered to the existing drinking water distribution systems. The project will provide approximately 2,000 acre-feet per year of high-quality groundwater supply to the community and will help alleviate the negative impact of drought on Orange County water supplies.

SECTION 2. CONTRACT DOCUMENTS; ORDER OF PRECEDENCE; SUB-GRANTEE GENERAL COMMITMENT

This Contract incorporates and includes as part of its terms and conditions the Grant Agreement.

In the event of any inconsistency between this Contract and the Grant Agreement, except as otherwise specifically provided, the inconsistency shall be resolved by giving precedence to the Grant Agreement.

The Sub-Grantee shall comply with all terms, provisions, conditions, and commitments of this Contract and the Grant Agreement. Such compliance shall include providing SAWPA with all deliverables, budget detail, reports and all other documents required by the Grant Agreement.

On behalf of and for the benefit of SAWPA, Sub-Grantee shall comply with all of the obligations and requirements of the Grant Agreement as if the Sub-Grantee were the "Grantee" under the terms of the Grant Agreement. Such compliance shall be to the fullest extent necessary and as may be required by SAWPA in order to enable SAWPA to comply with the Grant Agreement as "Grantee."

SECTION 3. ESTIMATED ELIGIBLE PROJECT COSTS; GRANT AMOUNT

The estimated reasonable cost of the Project at the time of SAWPA's and DWR's approval of the Project is **Eleven Million One Hundred Thousand** dollars (\$11,100,000). Subject to all of the terms, provisions, and conditions of this Contract, and subject to the availability of the grant funds, SAWPA shall disburse such grant funds in a sum not-to-exceed **Four Million Two Hundred Thousand** dollars (\$4,200,000). In all events, SAWPA's actual grant disbursements to the Sub-Grantee under this Contract shall not exceed payments received from the DWR.

If the Sub-Grantee proceeds to construction of such facilities, the final grant amount will be determined in accordance with the provisions of this Contract. If the Sub-Grantee fails or refuses to proceed with or complete the construction of facilities, SAWPA shall consider such failure or refusal to be a material violation and breach of this Contract. SAWPA shall have all rights and remedies as are otherwise available to it for breach of this Contract by the Sub-Grantee.

If actual Project costs exceed the Project's estimated reasonable cost, SAWPA shall have no obligation to provide grant funds for such exceedance.

Eligible Project costs include the reasonable costs of studies, engineering, design, land and easement acquisition, legal fees, preparation of environmental documentation, environmental mitigations, monitoring, project construction, and any other task set forth in Exhibit A of the Grant Agreement.

Reimbursable administrative expenses are the necessary costs incidental but directly related to the Project.

Costs not eligible for reimbursement or not eligible to be counted as local match include, but are not limited to:

- Costs for work performed before the dates specified below.
- Costs for preparing and filing a grant application

- Operation and maintenance costs, including post-construction performance and monitoring costs.
- Purchase of equipment that is not an integral part of the Project.
- Establishing a reserve fund.
- Purchase of water supply.
- Replacement of existing funding sources for on-going programs.
- Support of existing agency requirements and/or mandates.
- Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of the Project, as set forth and detailed by engineering and feasibility studies, or acquisition of land by eminent domain.
- Overhead and indirect costs not directly related to Project costs, such as generic overhead or markup.
- Travel costs and per diem costs, unless allowed under Exhibit D, Item 46 of the Grant Agreement.
- Mitigation for environmental impacts not resulting from implementation of the Project funded by this program.

Work performed after January 1, 2015, is eligible to be counted as local match. Work performed after May 5, 2023, is eligible for grant reimbursement.

SECTION 4. SCOPE OF WORK AND COMPLETION OF PROJECT

The Scope of Work is described in Exhibit A of the Grant Agreement. The Parties understand that time is of the essence and agree to expeditiously proceed with and complete the Project.

SECTION 5. DISBURSEMENT

Grant funds will be disbursed in accordance with the disbursement provisions of the Grant Agreement. SAWPA will disburse grant funds received from DWR to Sub-Grantee within 30 days of receipt of grant funds, except as described in *Section 14. Withholding of Grant Disbursements* of this Contract.

Retention is stipulated in Exhibit D, Item 36 of the Grant Agreement.

SECTION 6. FISCAL MANAGEMENT SYSTEMS AND ACCOUNTING STANDARDS

The Sub-Grantee agrees that, at a minimum, its fiscal control and accounting procedures shall be sufficient to permit tracking of grant funds to a level of expenditure adequate to establish that such funds have not been used in violation of State law or this Contract. The Sub-Grantee shall maintain separate Project accounts in accordance with generally accepted accounting principles and practices, consistently applied.

SECTION 7. TERM

This Contract shall not be effective until it has been fully executed by both parties. The Term of this Contract shall be the same as the Term of the Grant Agreement, unless sooner terminated pursuant to the provisions of this Contract or the Grant Agreement.

SECTION 8. COVENANT TO OPERATE AND MAINTAIN PROJECT FACILITIES

The Sub-Grantee or its designee shall properly staff, operate and maintain all portions of the Project during the Project's useful life and in accordance with this Contract, the Grant Agreement, and all applicable state and federal laws, rules and regulations. In the event that the Sub-Grantee

assigns or transfers all or any portions of the Project to another entity, the Sub-Grantee shall be responsible to ensure that the assignee or transferee of all or any portions of the Project shall properly staff, operate and maintain all portions of the Project during its useful life and in compliance with this Contract, the Grant Agreement, and all applicable state and federal laws, rules and regulations. The Parties to this Contract understand and agree that this covenant shall survive the expiration or termination of this Contract. The Parties further understand and agree that this covenant is for the benefit of SAWPA and DWR and shall be enforceable during the useful life of the Project facilities.

Sub-Grantee shall prepare and maintain the Project Performance Monitoring Plan ("PPMP") required by the Grant Agreement. DWR and SAWPA shall approve the PPMP prior to the disbursement of grant funds for construction or monitoring activities.

Sub-Grantee shall not abandon, substantially discontinue use of, lease, or dispose of the Project, including its construction, or any significant part or portion thereof, during the useful life of the Project without SAWPA's and DWR's prior written approval.

SECTION 9. ASSIGNMENT

Neither this Contract, nor any duties or obligations under this Contract, nor any of the Project facilities referenced in this Contract shall be assigned by any Party without the prior written consent of the other Party.

Should an assignment or transfer occur, whenever SAWPA or the Sub-Grantee are named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in SAWPA and the Sub-Grantee, and all Contract and covenants required hereby to be performed by or on behalf of SAWPA and/or the Sub-Grantee shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

SECTION 10. COMPLIANCE WITH LAWS AND REGULATIONS

The Sub-Grantee agrees that it shall, at all times, comply with and require its contractors and subcontractors to comply with all applicable federal and state laws, rules, regulations and guidelines. The Sub-Grantee shall comply with, implement, and fulfill all environmental mitigation measures applicable to the Project, and which may otherwise be required by this Contract and the IRWMP Grant Agreement, the California Environmental Quality Act ("CEQA"), and the State CEQA Guidelines.

SECTION 11. ACKNOWLEDGEMENT OF CREDIT/SIGNAGE REQUIREMENTS

Sub-Grantee shall include appropriate acknowledgement of credit to the State, SAWPA and to all cost-sharing partners for their support when promoting the Project or using any data and/or information developed under this Sub-Grantee Agreement. Signage shall be posted in a prominent location at the Project Site(s), if applicable, or at the Sub-Grantees headquarters and shall include the following disclosure statement: "Funding for this project has been provided in full or in part from the Water Quality, Supply, and Infrastructure Improvement Act of 2014 and through an agreement with the State Department of Water Resources and by the Santa Ana Watershed Project Authority". The sign shall include the Department of Water Resources logo, One Water One Watershed logo and the SAWPA logo (available from SAWPA). Before it is constructed, the Sub-Grantee shall provide the draft design layout of the sign to SAWPA for approval. Sub-Grantee shall notify SAWPA that the sign has been erected by providing a site

map with the sign location noted and a photograph of the sign.

SECTION 12. CONSTRUCTION ACTIVITIES AND NOTIFICATION

The Sub-Grantee shall immediately notify SAWPA in writing of:

(1) Any substantial change in the scope, budget, or work performed on the Project. The Sub-Grantee agrees that no substantial change in the scope of the Project may be undertaken until written notice of the proposed change has been provided to SAWPA, and SAWPA and DWR have given written approval for such a change;

(2) Any public or media event publicizing the accomplishments and/or results of this Grant Agreement shall provide the opportunity for attendance and participation by SAWPA and DWR. Sub-Grantee must notify SAWPA at least 20 calendar days prior to the event.

(3) Unscheduled cessation of all major construction work on the Project where such cessation of work is expected to or does continue for a period of 30 calendar days or more;

(4) Any circumstance, combination of circumstances, or condition which is expected to delay project completion for a period of 90 calendar days or more beyond the initial estimated date of completion of the Project previously provided to SAWPA;

(5) Completion of construction of the Project and provide SAWPA and DWR the opportunity to participate in the inspection. Sub-Grantee must notify SAWPA at least 20 calendar days prior to final inspection.

SECTION 13. PAYMENT OF PROJECT COSTS

The Sub-Grantee shall provide for and make payment for all Project costs. All costs and payments for the Project shall be paid by the Sub-Grantee promptly and in compliance with all applicable laws. All grant disbursements will be reimbursements.

SECTION 14. WITHHOLDING OF GRANT DISBURSEMENTS

SAWPA may withhold all or any portion of the grant funds provided for by this Contract in the event that:

(1) The Sub-Grantee has violated, or threatens to violate, any term, provision, condition, or commitment of this Contract;

(2) The Sub-Grantee fails to maintain reasonable progress toward completion of the Project; or

(3) DWR directs SAWPA to withhold any such grant funds.

SECTION 15. INVOICING

(A) Invoices shall be completed on a State-provided invoice form and shall meet the following format requirements:

(1) Invoices must contain the date of the invoice, the time period covered by the invoice, and the total amount due.

(2) Invoices must be itemized. The amount claimed for salaries/wages/consultant fees must include a calculation formula (i.e. hours or days worked times the hourly or daily rate = the total amount claimed).

(3) Sufficient evidence (i.e. receipts, copies of checks, timesheets) must be provided for all costs included in the invoice.

(4) Each invoice shall clearly delineate those costs claimed for reimbursement from the State's grant amount and those costs that represent the Sub-Grantee's share as applicable.

(B) Invoices also shall include the following information:

(1) Costs incurred for work performed in implementing the IRWM program or program contracts during the period identified in the particular invoice.

(2) Costs incurred for any interests in real property (land or easements) that have been necessarily acquired for the Project during the period identified in the particular invoice for the construction, operation, or maintenance of the Project.

(3) Appropriate receipts and reports for all costs incurred.

SECTION 16. RECORDS AND REPORTS

(A) Without limitation on the requirement that Project accounts be maintained in accordance with generally accepted government accounting standards, the Sub-Grantee shall comply with the records and reporting requirements imposed by the IRWMP Grant Agreement, and shall also:

(1) Establish an official Project file that documents all significant actions relative to the Project;

(2) Establish separate accounts that adequately and accurately itemize and describe all amounts received and expended on the Project, including all grant funds received under this Contract;

(3) Establish separate accounts that adequately and accurately itemizes and describes all income received which is attributable to the Project, specifically including any income attributable to grant funds disbursed under this Contract;

(4) Establish an accounting system that adequately and accurately itemizes and describes final total costs of the Project, including both direct and indirect costs;

(5) Establish such accounts and maintain such records as may be necessary for the State, DWR and SAWPA to fulfill federal reporting requirements, including any and all reporting requirements under federal tax statutes or regulations; and

(6) If Force Account is used by the Sub-Grantee for any phase of the Project, establish an account that adequately and accurately itemizes and describes all employee hours, and associated tasks charged to the Project per employee.

(B) The Sub-Grantee shall require all Project contractors and subcontractors to maintain books, records, and other material relative to the Project in accordance with generally accepted accounting standards, and to require that such contractors and subcontractors retain such books, records, and other material for a minimum of five (5) years after the Grant Agreement termination date. The Sub-Grantee shall require that such books, records, and other material shall be subject, at all reasonable times, to inspection, copying, and audit by SAWPA, DWR or their authorized representatives.

(C) The Sub-Grantee shall maintain its books, records and other material concerning the Project in accordance with generally accepted government accounting standards and as required by the IRWMP Grant Agreement.

(D) All documents required or requested to be provided to SAWPA shall be submitted electronically in the both the native format (e.g. Microsoft Word, Microsoft Excel, etc) and PDF. All documents shall be public domain or the property of SAWPA once submitted.

(E) The Sub-Grantee agrees to expeditiously provide, during work on the Project and for three years after the projection completion, such reports, data, information and certifications as may be reasonably required by SAWPA or DWR. Such documents and information shall be provided in electronic format.

SECTION 17. QUARTERLY PROGRESS REPORTS

Quarterly Progress Reports shall be completed using the templates provided. Quarterly Progress Reports shall provide a brief description of the work performed, activities, milestones achieved, any accomplishments as well as any problems encountered in the performance of the work. The first quarterly report shall be submitted no later than the 30th of the month following the end of the reporting period. The first progress report shall cover the following reporting period: January 2, 2015 (or project start, if later) to March 31, 2024, and will be due to SAWPA on April 30, 2024. Subsequent progress reports will be due as follows: Jan-Mar reporting period – due Apr 30; Apr-Jun reporting period – due Jul 31; Aug-Sep reporting period – due Oct 31; Oct-Dec reporting period – due Jan 31.

SECTION 18. PROJECT REVIEW AND EVALUATION; FINAL REPORTS AND AUDIT

(A) SAWPA may perform a project review or otherwise evaluate the project to determine compliance with the contract documents at any time or if questions about the proper use or management of the funds arise. SAWPA may review or evaluate the contractor or vendor for compliance with the terms and conditions of the contract documents. The project review and evaluation may be performed by SAWPA or may be contracted to a responsible third party. Any findings and recommendations of the project review and evaluation shall be addressed by the Sub-Grantee within 60 days of the date such findings and recommendations are provided to the Sub-Grantee and before the next invoice is paid by SAWPA.

(B) Inventory of equipment purchased with grant funds.

(1) At least 75 days prior to submission of the final project invoice, Sub-Grantee shall consult with SAWPA on the scope of the inventory of equipment purchased with grant funds. This inventory shall include all items with a current estimated fair market value of more than \$5,000 per item.

(2) At least 45 days prior to submission of the final project invoice, Sub-Grantee shall provide SAWPA with a final inventory list of equipment purchased with grant funds. DWR shall have the opportunity to take title to any item on the inventory list. Should DWR take title to any item on the inventory list, DWR shall arrange for delivery and transportation of such inventory.

(C) In addition to the documents and deliverables required to be provided by the IRWMP Grant Agreement, within 90 days after completion of the Project but no later than 14 days prior to the due date indicated in the IRWMP Grant Agreement, the Sub-Grantee shall provide to SAWPA, a Project Completion Report. The Project Completion Report shall follow the Guidelines in Exhibit F of the Grant Agreement.

(D) SAWPA may call for an audit of financial information relative to the Project, where SAWPA determines that an audit is desirable to assure program integrity or where such an audit becomes necessary because of federal or state requirements. Where such an audit is called for, the audit shall be performed by a Certified Public Accountant independent of the Sub-Grantee and at the cost of the Sub-Grantee. The audit shall be in the form required by SAWPA.

SECTION 19. PROJECT CLOSEOUT DOCUMENTATION

To ensure that that the Project is closed out in a manner that provides an auditable file for SAWPA, Sub-Grantee shall follow a close-out procedure that includes payment of all subcontracts, completion of all punch lists, defects correction, satisfaction of warranty or guarantee issues, and any other requirements for the completion of the scope of work. Such close-out procedures shall include those procedures contained in the IRWMP Grant Agreement or otherwise required by SAWPA and DWR.

SECTION 20. POST-PERFORMANCE REPORTS

Post-Performance Reports shall be submitted to SAWPA within 75 calendar days after the first operational year of the Project has elapsed. This record keeping and reporting process shall be repeated annually for a total of three (3) years after the completed project begins operation.

SECTION 21. MONITORING REQUIREMENTS

(A) All groundwater projects and projects that include groundwater monitoring requirements are consistent with the Groundwater Quality Monitoring Act of 2001.

(B) Projects that affect water quality shall include a monitoring component that allows the integration of data into statewide monitoring efforts, including where applicable, the Surface Water Ambient Monitoring Program administered by the State Water Resources Control Board.

(C) Groundwater quality and ambient surface water quality monitoring data that include chemical, physical, or biological data shall be submitted to the State with a narrative description of data submittal activities (included in project reports) as described below:

(1) Surface water quality monitoring data shall be prepared for submission to the California Environmental Data Exchange Network (CEDEN). CEDEN data templates are available on the CEDEN website (<http://www.ceden.org>). Inclusion of additional data elements described on the data templates is desirable. Data ready for submission should be uploaded to the CEDEN Regional Data Center via the CEDEN website and a copy shall be given to SAWPA.

(2) If Sub-Grantee's Work Plan contains a groundwater ambient monitoring element, groundwater quality monitoring data shall be submitted to the State for inclusion in the State Water Resources Control Board's Groundwater Ambient Monitoring and Assessment (GAMA) Program. Information on the GAMA Program can be obtained at http://www.waterboards.ca.gov/water_issues/programs/gama. If further information is required, the Sub-Grantee can contact the State Water Resources Control Board GAMA Program. A copy of all data submitted shall be given to SAWPA.

(D) If groundwater level data is collected, Sub-Grantee must submit this data to DWR's Water Data Library (WDL) with a narrative description of data submittal activities (included in project reports). Information regarding the WDL and the format to submit the data in can be found at: <http://wdl.water.ca.gov/>. A copy of all data submitted shall be given to SAWPA.

In the near future, DWR's WDL will be replaced by the California Statewide Groundwater Elevation Monitoring program (CASGEM). Once this program comes online, Sub-Grantee will then submit groundwater level data to CASGEM. Information regarding the CASGEM program can be found at: <http://www.water.ca.gov/groundwater/casgem/>.

SECTION 22. TERMINATION; IMMEDIATE REPAYMENT; INTEREST

(A) SAWPA may terminate this Contract at any time prior to completion of the Project for Sub-Grantee's violation of any provision of this Contract upon written notice by SAWPA of the violation and the failure of Sub-Grantee to come into compliance within a reasonable time as established by SAWPA.

(B) In the event of such termination, the Sub-Grantee agrees, upon demand, to immediately repay to SAWPA an amount equal to the amount of grant funds disbursed to the Sub-Grantee prior to such termination. In the event of termination, prejudgment interest shall accrue on all amounts due from the date that notice of termination is mailed to the Sub-Grantee to the date of full repayment by the Sub-Grantee.

(C) SAWPA may terminate this Contract should DWR terminate SAWPA as program manager or terminate funding for this Contract or the Project or should DWR terminate its standard agreement with SAWPA on this Project. Upon such DWR-caused termination, SAWPA shall not be liable to Sub-Grantee for any damages, costs or expenses resulting from such termination.

SECTION 23. DAMAGES FOR BREACH AFFECTING TAX EXEMPT STATUS

In the event that any breach of any of the provisions of this Contract or other action by the Sub-Grantee shall result in the loss of tax exempt status for any bonds, or if such breach shall result in an obligation on the part of the SAWPA to reimburse the federal government by reason of any arbitrage profits, the Sub-Grantee shall immediately reimburse SAWPA and/or DWR in an amount equal to any damages paid by or loss incurred by the State due to such breach.

SECTION 24. ARBITRATION

Any dispute which may arise under this Contract by and between the SAWPA and the Sub-Grantee, including the Sub-Grantee's subcontractors, laborers, and suppliers, shall be submitted to binding arbitration pursuant to the Construction Industry Arbitration Rules and Mediation Procedures of the American Arbitration Association (AAA). The arbitrator shall decide

each and every dispute in accordance with the laws of the State of California and AAA rules, and all other applicable laws. Unless the Parties stipulate in writing to the contrary, prior to the appointment of the arbitrator, all disputes shall first be submitted to non-binding mediation.

SECTION 25. COSTS AND ATTORNEY FEES

In the event of arbitration or litigation between the parties hereto arising from this Contract, it is agreed that each party shall bear its own costs and attorney fees.

SECTION 26. WAIVER

Any waiver of any rights or obligations under this Contract or the IRWMP Grant Agreement shall be in writing and signed by the Party making such waiver, and approved by SAWPA and the DWR.

SECTION 27. AMENDMENT

This Contract may be amended at any time by mutual written agreement of the Parties and the DWR.

SECTION 28. SAWPA REVIEWS; SUB-GRANTEE AS INDEPENDENT CONTRACTOR

(A) The Parties agree that review or approval of the Project or Project plans and specifications by SAWPA is for administrative and eligibility purposes only and does not relieve the Sub-Grantee of its responsibility to properly plan, design, construct, operate, and maintain the Project. As between SAWPA and the Sub-Grantee, the Sub-Grantee agrees that it has sole responsibility for proper planning, design, construction, operation, and maintenance of the Project.

(B) The Sub-Grantee is an independent contractor exclusively responsible for the design, construction, operation and maintenance of the specific project funded by this Grant Funding Contract and that the Sub-Grantee is not acting as SAWPA's agent, nor is SAWPA acting as an agent of the Sub-Grantee.

SECTION 29. INDEMNIFICATION

(A) The Sub-Grantee shall defend, indemnify and hold and save SAWPA and DWR and their directors, commissioners, officers, employees, agents and assigns (collectively the "Indemnified Parties") free and harmless from any and all liabilities for any claims and damages (including inverse condemnation) that may arise out of the Project and the Grant Agreement, including but not limited to any claims or damages arising from planning, design, construction, maintenance, and/or operation of this Project and any breach of this Agreement. The Sub-Grantee shall require its contractors or subcontractors to name SAWPA, the State, its officers, agents and employees as additional insureds on their liability insurance for activities undertaken pursuant to this Sub-Agreement.

(B) The Sub-Grantee understands and agrees that it has complied and will comply with CEQA and the State CEQA Guidelines for the project which is the subject matter of this Grant Funding Contract. Sub-Grantee understands and agrees that it is ultimately and solely responsible, as the lead agency, for compliance with CEQA and any mitigation measures

required for the Project. The Sub-Grantee hereby agrees to indemnify, defend and hold harmless SAWPA and the DWR from any and all claims or actions related to this Project that may be made by any third party or public agency alleging, among other things, violations of CEQA or the State CEQA Guidelines.

(C) The Sub-Grantee shall ensure that adequate insurance coverage is provided by Sub-Grantee and/or its contractors and subcontractors on the Project funded, in part, by this Contract. Such insurance shall include adequate coverage for comprehensive commercial general liability, business auto liability, workers compensation liability, professional and errors and omissions liability, property insurance, including all builders risk insurance. Such insurance coverage shall, at a minimum, insure against injuries to third parties, damage to property owned by third parties, physical damage to the Project and all related facilities, theft of building materials and supplies intended for the Project, delays in Project completion, delays in Project Completion due to strikes and governmental actions, liquidated damages, employee injuries and work-related illnesses, design errors resulting in increased project costs, environmental damage caused by construction activities related to the Project, and nonperformance by the contractors and subcontractors. Such insurance coverages shall be provided by admitted insurance companies authorized to do business in the State of California, and with a minimum "Best's Insurance Guide" rating of "A:VII".

SECTION 30. PROJECT AND INFORMATION ACCESS

The Sub-Grantee agrees to ensure that SAWPA, DWR, or any authorized representative thereof, shall have reasonable access to the Project site at all reasonable times during Project construction, and thereafter for the useful life of the Project.

SECTION 31. OPINIONS AND DETERMINATIONS

Where the terms of this contract provide for action to be based upon the opinion, judgment, approval, review, or determination of either party hereto, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary and capricious.

IN WITNESS THEREOF, the parties have executed this Contract on the dates set forth below.

SANTA ANA WATERSHED PROJECT
AUTHORITY

Dated: _____

By: _____

ORANGE COUNTY WATER DISTRICT
Sub-Grantee

Dated: _____

By: _____
Authorized Representative

Typed Name

Title

AGENDA ITEM SUBMITTAL

Meeting Date: April 10, 2024

To: Water Issues Committee
Board of Directors

From: John Kennedy

Staff Contact: C. Olsen

Budgeted: N/A

Budgeted Amount: \$59.4M

Cost Estimate: N/A

Funding Source: Long Term Debt, Grants,
PAYGO & WIFIA Loan

Program/Line Item No: N/A

General Counsel Approval: N/A

Engineers/Feasibility Report: N/A

CEQA Compliance: N/A

**Subject: PROPOSED FISCAL YEAR 2024-25 CAPITAL IMPROVEMENT PROGRAM
BUDGET**

SUMMARY

The proposed fiscal year (FY) 2024-25 Capital Improvement Program (CIP) budget totals \$59.4 million for 27 projects. The CIP section spreadsheet and summary from the March 6, 2024, draft FY 2024-25 OCWD Budget document provided to the Board are attached. An Engineer's Report must be approved by the Board of Directors for each project before it can proceed forward with design and construction.

Attachments:

- CIP Program Spreadsheet
- CIP Program Summary
- Presentation

RECOMMENDATION

Informational

DISCUSSION/ANALYSIS

The FY 2024-25 Capital Improvement Program (CIP) is provided on the following pages. The 27 CIP projects included in the FY 2024-25 budget will be funded with operating revenues (Pay-as-you-go Program), grants and WIFIA loan.

The CIP is primarily driven by the following objectives: (1) increasing the District's recharge capacity to allow for increased sustainable production out of the groundwater basin; (2) protecting water quality by removing contaminated groundwater from the basin; and (3) protecting the coastal portion of the groundwater basin.

Budgeting of project expenditures does not authorize staff to proceed with a project. Each budgeted project must be individually reviewed and formally approved by the Board via the preparation of an Engineer's Report. In addition, the Board of Directors would need to approve the design and the construction contracts as/if the project progresses forward.

The expenditures for each project are shown in the fiscal year they are anticipated to occur in. The District has many multi-year projects that require several years to process and construct.

PRIOR RELEVANT BOARD ACTION: N/A

**TABLE 8-2
FISCAL YEAR 2024-25
CAPITAL IMPROVEMENT PROGRAM SUMMARY**

	San Joaquin Hills Regional Water Treatment Plant												
	Fiscal Year		Salaries	Benefits	Salaries & Benefits	Pre-design	Design	Construction	Total				
	ACCOUNT NO: COST CODE					02000	03000	40010					
	Grand Total		2024-25	530,191	177,586	707,777	150,000	5,600,000	52,926,000	59,383,777			
			2025-26	0	0	0	0	250,000	67,950,000	68,200,000			
			2026-27	0	0	0	0	0	39,300,000	39,300,000			
			2027-28	0	0	0	0	0	8,000,000	8,000,000			
			2028-29	0	0	0	0	0	0	0			
JDE PROJECT ID NO.	Project Name	Project Description									Project Details	Dept.	
C23001	R&D ERC Pilot and Test Systems Upgrades	This project will continue the R&D pilots modernization begun in FY23-24 including work on the RO satellite vessels (SVs) in the GWRS RO plant and on pilots at the Engineering Research Center.	2024-25				-			30,000	30,000	Staff will develop a plan for the SVs to integrate data loggers, pressure transducers and potentially include booster pump upgrades on SVs, and develop a Data Management and Reporting Platform (vendor or in-house TBD). KDC (contractor) work will include: complete work started in FY23-24, RO pilot #4: PLC and HMI upgrades. UF pilot #1 and UF pilot #2: PLC and HMI upgrades. RO pilot #3: PLC and HMI upgrades. Interstage booster pump installation and VFD configuration. R&D pilots data management system and online monitoring platform. RO building satellite vessels (SVs) upgrades: integrate data loggers, new sensors (pressure transducers) and potential include booster pump upgrades for up to 8 of 8 SVs. SVs' Data Management and Reporting Platform (vendor or in-house TBD). In-house staff (I/E staff) will finish the RO#3 pilot interstage boost pump (IBP) installation and VFD control configuration after KDC upgrade the PLC/HMI.	1040
			2025-26					-			-		
			2026-27					-			-		
			2027-28					-			-		
			2028-29					-			-		
			5-Year Project Total							30,000			
	Estimated Total Capital Cost: \$30k												
C18001	Prado Shooting Range Bullet Lead Iterim Remediation Actions	Purpose is to consolidate and remediate for lead at two locations behind Prado in order to make one of the parcels of land available for purchase or redevelopment. A CAMU facility is to be constructed and lead contaminated soil will be transported and sealed within the CAMU structure.	2024-25				-		150,000	50,000	200,000	Consulting work revised to include preparation of Remedial Action Plan and CEQA documentation. Construction activities anticipated to begin July 2025	1044
			2025-26				-		450,000	450,000			
			2026-27				-			-			
			2027-28				-			-			
			2028-29				-			-			
	5-Year Project Total							650,000					
Estimated Total Capital Cost: \$850,000													
C19006	Anaheim PFAS Treatment Systems	PFAS Treatment Systems	2024-25				-			10,000,000	10,000,000	Design and construction of PFAS treatment vessel systems to remove the PFAS contaminant from the water prior to individual Producers serving to customers.	1070
			2025-26				-			-			
			2026-27				-			-			
			2027-28				-			-			
			2028-29				-			-			
	5-Year Project Total							10,000,000					
Estimated Total Capital Cost: \$117M													
C19007	Fullerton PFAS Treatment Systems	PFAS Treatment System	2024-25	19,999	7,078	27,076				1,700,000	1,727,076	Rehabilitate Well Kim 1A and Replace Well Pump and Pump Drive.	1070
			2025-26				-			-			
			2026-27				-			-			
			2027-28				-			-			
			2028-29				-			-			
	5-Year Project Total							1,727,076					
Estimated Total Capital Cost: \$5.3M													

TABLE 8-2
FISCAL YEAR 2024-25
CAPITAL IMPROVEMENT PROGRAM SUMMARY

		SANTA ANA WELL 38 TREATMENT SYSTEM SUMMARY											
		Fiscal Year	Salaries	Benefits	Salaries & Benefits	Pre-design	Design	Construction	Total				
		ACCOUNT NO: COST CODE					02000	03000	40010				
5	C19011	Tustin PFAS Treatment System	PFAS Treatment Systems	2024-25	23,676	8,310	31,985			4,000,000	4,031,985	Design and construction of PFAS treatment vessel systems to remove the PFAS contaminant from the water prior to individual Producers serving to customers.	1070
				2025-26			-			-			
				2026-27			-			-			
				2027-28			-			-			
				2028-29			-			-			
Estimated Total Capital Cost: \$25.8M				5-Year Project Total					4,031,985				
6	C19016	Orange Well 20, 21, and 22 PFAS Treatment Systems	PFAS Treatment Systems	2024-25	23,676	8,310	31,985			2,000,000	2,031,985	Design and construction of PFAS treatment vessel systems to remove the PFAS contaminant from the water prior to individual Producers serving to customers.	1070
				2025-26			-			-			
				2026-27			-			-			
				2027-28			-			-			
				2028-29			-			-			
Estimated Total Capital Cost: \$8M				5-Year Project Total					2,031,985				
7	C19018	Orange Well 29 PFAS Treatment System	PFAS Treatment Systems	2024-25	15,784	5,540	21,324			2,500,000	2,521,324	Design and construction of PFAS treatment vessel systems to remove the PFAS contaminant from the water prior to individual Producers serving to customers.	1070
				2025-26			-			-			
				2026-27			-			-			
				2027-28			-			-			
				2028-29			-			-			
Estimated Total Capital Cost: \$5M				5-Year Project Total					5,021,324				
8	C19019	Orange Well 28 PFAS Treatment System	PFAS Treatment Systems	2024-25	15,784	5,540	21,324			2,000,000	2,021,324	Design and construction of PFAS treatment vessel systems to remove the PFAS contaminant from the water prior to individual Producers serving to customers.	1070
				2025-26			-			-			
				2026-27			-			-			
				2027-28			-			-			
				2028-29			-			-			
Estimated Total Capital Cost: \$5M				5-Year Project Total					2,021,324				
9	C19020	Santa Ana Wells 27 and 28 PFAS Treatment Systems	PFAS Treatment Systems	2024-25	30,935	9,734	40,669			6,000,000	6,040,669	Design and construction of PFAS treatment vessel systems to remove the PFAS contaminant from the water prior to individual Producers serving to customers.	1070
				2025-26			-			6,000,000	6,000,000		
				2026-27			-			-			
				2027-28			-			-			
				2028-29			-			-			
Estimated Total Capital Cost: \$12M				5-Year Project Total					12,040,669				
10	C19021	Santa Ana Well 31 PFAS Treatment System	PFAS Treatment Systems	2024-25	30,935	9,734	40,669			3,000,000	3,040,669	Design and construction of PFAS treatment vessel systems to remove the PFAS contaminant from the water prior to individual Producers serving to customers.	1070
				2025-26			-			-			
				2026-27			-			-			
				2027-28			-			-			
				2028-29			-			-			
Estimated Total Capital Cost: \$6M				5-Year Project Total					3,040,669				
11	C19022	Santa Ana Well 38 PFAS Treatment System	PFAS Treatment Systems	2024-25	12,374	3,893	16,267			1,140,000	1,156,267	Design and construction of PFAS treatment vessel systems to remove the PFAS contaminant from the water prior to individual Producers serving to customers.	1070
				2025-26			-			-			
				2026-27			-			-			
				2027-28			-			-			
				2028-29			-			-			
Estimated Total Capital Cost: \$5.4M				5-Year Project Total					1,156,267				

**TABLE 8-2
FISCAL YEAR 2024-25
CAPITAL IMPROVEMENT PROGRAM SUMMARY**

				Fiscal Year	Salaries	Benefits	Salaries & Benefits	Pre-design	Design	Construction	Total		
		ACCOUNT NO: COST CODE						02000	03000	40010			
12	C23002	Garden Grove Well 19 PFAS Treatment System	PFAS Treatment Systems	2024-25	39,998	14,155	54,153			5,000,000	5,054,153	Design and construction of PFAS treatment vessel systems to remove the PFAS contaminant from the water prior to individual Producers serving to customers.	1070
				2025-26			-				-		
				2026-27			-				-		
				2027-28			-				-		
				2028-29			-				-		
				Estimated Total Capital Cost: \$6M							5-Year Project Total	5,054,153	
13	C23005	Fullerton Kim 2 PFAS Treatment System	PFAS Treatment Systems	2024-25	39,998	14,155	54,153			5,000,000	5,054,153	Design and construction of PFAS treatment vessel systems to remove the PFAS contaminant from the water prior to individual Producers serving to customers.	1070
				2025-26			-				-		
				2026-27			-				-		
				2027-28			-				-		
				2028-29			-				-		
				Estimated Total Capital Cost: \$6M							5-Year Project Total	5,054,153	
14	C23006	Golden State Water Company Sherrill Well PFAS Treatment System	PFAS Treatment Systems	2024-25	31,304	9,087	40,391			2,000,000	2,040,391	Design and construction of PFAS treatment vessel systems to remove the PFAS contaminant from the water prior to individual Producers serving to customers.	1070
				2025-26			-				-		
				2026-27			-				-		
				2027-28			-				-		
				2028-29			-				-		
				Estimated Total Capital Cost: \$2.5M							5-Year Project Total	2,040,391	
15	C240XX	Anaheim Wells 39, 47, 48, and 53 PFAS Treatment Systems	PFAS Treatment Systems	2024-25	15,652	4,543	20,195		1,200,000		1,220,195	Design and construction of PFAS treatment vessel systems to remove the PFAS contaminant from the water prior to individual Producers serving to customers. These projects are part of the "Round 2" PFAS Program to be implemented once MCL is established.	1070
				2025-26			-			11,800,000	11,800,000		
				2026-27			-			11,000,000	11,000,000		
				2027-28			-				-		
				2028-29			-				-		
				Estimated Total Capital Cost: \$24M							5-Year Project Total	24,020,195	
16	C240XX	Fullerton Wells 10 and 15A PFAS Treatment Systems	PFAS Treatment Systems	2024-25	25,651	8,082	33,734		600,000		633,734	Design and construction of PFAS treatment vessel systems to remove the PFAS contaminant from the water prior to individual Producers serving to customers. These projects are part of the "Round 2" PFAS Program to be implemented once MCL is established.	1070
				2025-26			-			8,400,000	8,400,000		
				2026-27			-			3,000,000	3,000,000		
				2027-28			-				-		
				2028-29			-				-		
				Estimated Total Capital Cost: \$12M							5-Year Project Total	12,033,734	
17	C240XX	Garden Grove Wells 22 and 27 PFAS Treatment Systems	PFAS Treatment Systems	2024-25	9,999	3,539	13,538		600,000		613,538	Design and construction of PFAS treatment vessel systems to remove the PFAS contaminant from the water prior to individual Producers serving to customers. These projects are part of the "Round 2" PFAS Program to be implemented once MCL is established.	1070
				2025-26			-			8,400,000	8,400,000		
				2026-27			-			3,000,000	3,000,000		
				2027-28			-				-		
				2028-29			-				-		
				Estimated Total Capital Cost: \$12M							5-Year Project Total	12,013,538	
18	C240XX	Huntington Beach Well 3A PFAS Treatment System	PFAS Treatment Systems	2024-25	15,652	4,543	20,195		300,000		320,195	Design and construction of PFAS treatment vessel systems to remove the PFAS contaminant from the water prior to individual Producers serving to customers. These projects are part of the "Round 2" PFAS Program to be implemented once MCL is established.	1070
				2025-26			-			4,000,000	4,000,000		
				2026-27			-			1,700,000	1,700,000		
				2027-28			-				-		
				2028-29			-				-		
				Estimated Total Capital Cost: \$6M							5-Year Project Total	6,020,195	

**TABLE 8-2
FISCAL YEAR 2024-25
CAPITAL IMPROVEMENT PROGRAM SUMMARY**

				Fiscal Year	Salaries	Benefits	Salaries & Benefits	Pre-design	Design	Construction	Total		
		ACCOUNT NO: COST CODE						02000	03000	40010			
19	C240XX	Orange Wells 25 and 27 PFAS Treatment Systems	PFAS Treatment Systems	2024-25	7,892	2,770	10,662		600,000		610,662	Design and construction of PFAS treatment vessel systems to remove the PFAS contaminant from the water prior to individual Producers serving to customers. These projects are part of the "Round 2" PFAS Program to be implemented once MCL is established.	1070
				2025-26			-			8,400,000	8,400,000		
				2026-27			-			3,000,000	3,000,000		
				2027-28			-				-		
				2028-29			-				-		
				Estimated Total Capital Cost: \$12M							5-Year Project Total	12,010,662	
20	C240XX	Golden State Water Company Wells SCL5 and PLJ2 PFAS Treatment Systems	PFAS Treatment Systems	2024-25	15,652	4,543	20,195		400,000		420,195	Design and construction of PFAS treatment vessel systems to remove the PFAS contaminant from the water prior to individual Producers serving to customers. These projects are part of the "Round 2" PFAS Program to be implemented once MCL is established.	1070
				2025-26			-			7,000,000	7,000,000		
				2026-27			-			1,600,000	1,600,000		
				2027-28			-				-		
				2028-29			-				-		
				Estimated Total Capital Cost: \$9M							5-Year Project Total	9,020,195	
21	C240XX	Santa Ana Wells 16, 29, 41, and 33 PFAS Treatment System	PFAS Treatment Systems	2024-25	6,187	1,947	8,134		750,000		758,134	Design and construction of PFAS treatment vessel systems to remove the PFAS contaminant from the water prior to individual Producers serving to customers. These projects are part of the "Round 2" PFAS Program to be implemented once MCL is established.	1070
				2025-26			-		250,000	3,000,000	3,250,000		
				2026-27			-			8,000,000	8,000,000		
				2027-28			-			8,000,000	8,000,000		
				2028-29			-				-		
				Estimated Total Capital Cost: \$20M							5-Year Project Total	20,008,134	
22	C240XX	Santa Ana Wells 18, 24, 32, 36, and 39 PFAS Treatment System	PFAS Treatment Systems	2024-25	6,187	1,947	8,134		1,000,000	8,000,000	9,008,134	Design and construction of PFAS treatment vessel systems to remove the PFAS contaminant from the water prior to individual Producers serving to customers. These projects are part of the "Round 2" PFAS Program to be implemented once MCL is established.	1070
				2025-26			-			8,000,000	8,000,000		
				2026-27			-			8,000,000	8,000,000		
				2027-28			-				-		
				2028-29			-				-		
				Estimated Total Capital Cost: \$25M							5-Year Project Total	25,008,134	
23	C08007	South Basin Groundwater Protection Project	Continuation of a contract begun in FY23-24 to perform environmental evaluation (CEQA) and prepare documentation, including program EIR for a groundwater contamination remediation project.	2024-25	122,282	41,635	163,917	150,000			313,917	Subject to Board approval, a proposed remedial action project would address groundwater contamination in the South Basin area (Santa Ana and Irvine) and may entail the construction and operation of a series of groundwater extraction wells and treatment systems.	1075
				2025-26			-				-		
				2026-27			-				-		
				2027-28			-				-		
				2028-29			-				-		
				Estimated Total Capital Cost: \$15M							5-Year Project Total	313,917	
24	C23004	Bolsa Gap Seawater Intrusion Monitoring Well	Complete construction begun in FY23-24 of monitoring well BS29 in Bolsa Gap (Huntington Beach)	2024-25			-			200,000	200,000	Construct a 4-well cluster of monitoring wells to a maximum depth of approx. 400 feet to investigate seawater intrusion in the Bolsa Gap.	1075
				2025-26			-				-		
				2026-27			-				-		
				2027-28			-				-		
				2028-29			-				-		
				Estimated Total Capital Cost: \$500K							5-Year Project Total	200,000	

**TABLE 8-2
FISCAL YEAR 2024-25
CAPITAL IMPROVEMENT PROGRAM SUMMARY**

		COST YEAR AND FISCAL YEAR PROGRAM ACCOUNT NO: COST CODE											
		Fiscal Year		Salaries	Benefits	Salaries & Benefits	Pre-design	Design	Construction	Total			
		ACCOUNT NO: COST CODE						02000	03000	40010			
25	C24XXX	Shallow Aquifer Monitoring Wells for Basin Storage Calculation (carry-over of expenses for work begun in FY23-24) Wells FM-41,OM-12	Construct two shallow monitoring wells for water level measurements used for annual basin storage change calculation	2024-25	20,575	8,503	29,077			85,000	114,077	Construct two shallow monitoring wells (Fullerton and Orange) where no wells exist to improve the accuracy of the annual groundwater level contour map and basin storage calculation.	1075
				2025-26			-			-			
				2026-27			-			-			
				2027-28			-			-			
				2028-29			-			-			
Estimated Total Capital Cost: \$85K				5-Year Project Total							114,077		
26	C24XXX	Talbert Gap Seawater Intrusion Monitoring Well	Construct monitoring well M29A in Talbert Gap to determine trends in seawater intrusion and Talbert Barrier performance where no other wells exist.	2024-25			-			171,000	171,000	The proposed well will provide data to help staff understand an area where seawater intrusion has been stubbornly difficult to push back toward the ocean by observing groundwater level and chloride trends in relation to barrier injection.	1075
				2025-26			-			-			
				2026-27			-			-			
				2027-28			-			-			
				2028-29			-			-			
Estimated Total Capital Cost: \$171K				5-Year Project Total							171,000		
27	C23003	Shallow Aquifer Monitoring Wells for Basin Storage Calculation (carry-over of expenses for work begun in FY23-24) Wells AM-62, IDM-5 and IDM-6	Complete construction of three shallow monitoring wells for water level measurements used for annual basin storage change calculation	2024-25			-			50,000	50,000	Construct shallow monitoring wells (Yorba Linda, North Tustin, Irvine) where no wells exist to improve the accuracy of the annual groundwater level contour map and basin storage calculation.	1075
				2025-26			-			-			
				2026-27			-			-			
				2027-28			-			-			
				2028-29			-			-			
Estimated Total Capital Cost: \$150K				5-Year Project Total							50,000		

CAPITAL IMPROVEMENT PROGRAM

The fiscal year (FY) 2024-25 Capital Improvement Program (CIP) is provided on the following pages. The CIP projects are funded by debt proceeds, grants, state loans, and \$59.4 million from operating revenues. The assets created by the CIP projects typically have a useful life of between three to seventy years.

The total proposed CIP cost for the FY 2024-25 budget is \$59.4 million, and it includes 27 projects. The life span of various CIP projects varies from project to project and it can be three years or longer. The District will fund \$59.4 million dollar CIP budget from the operating revenues, WIFIA loan, and grants. This District practice is very useful in keeping the debt service cost to the minimum and maintaining debt service coverage targets.

The CIP is primarily driven by the following objectives: (1) increasing the District's recharge capacity to allow for increased sustainable production out of the groundwater basin; (2) protecting water quality by removing contaminated groundwater from the basin and providing additional wetlands treatment for Santa Ana River flows; and (3) protecting the coastal portion of the groundwater basin.

Budgeting of project expenditures does not authorize staff to proceed with a project. Each budgeted project must be individually reviewed and formally approved by the Board via the preparation of an Engineer's Report. In addition, the Board would need to approve the design and the construction contracts as if the project progresses forward.

The expenditures for each project are shown in the fiscal year they are anticipated to occur in. The District has many multi-year projects that require several years to process and construct. Table 8-1 provides a broad summary of the projects in the CIP. A brief description and status of each project are provided on the attached Capital Projects Information sheet.

TABLE 8-1
SUMMARY OF PROJECTS IN THE CAPITAL IMPROVEMENT PROGRAM

PROJECT TYPE	OBJECTIVE
WATER SUPPLY	PROVIDE FOR INCREASED GROUNDWATER PRODUCTION AND CREATE SUPPLIES WHERE ECONOMICAL AS COMPARED WITH MWD RATES.
	Construct facilities to increase recharge capacity and percolation rates to allow for increased groundwater pumping.
	Improve existing facilities to increase percolation rates.
	Create a new water supply.
WATER QUALITY	PROTECT THE QUALITY OF THE GROUNDWATER BASIN SUPPLIES.
	Protect groundwater in North Basin by extracting and treating wells threatened by VOC contamination in Anaheim and Fullerton.

COASTAL IMPROVEMENTS	MITIGATE FOR EXISTING AND PROJECTED FUTURE PROBLEMS ALONG THE COAST.
	Construct barrier facilities to prevent seawater intrusion.

The cost of information for multi-year debt and operating revenue funded projects is summarized in Table 8-2.

The OCWD staff works closely with the Board of Directors in processing capital projects. Formal Board approval is required at various stages of a project's life, as shown below:

1. Inclusion in OCWD annual budget.
2. Issuance of Request for Proposals for the hiring of consultants for fees greater than \$20,000 to assist in processing project documents.
3. Awarding consultant contracts greater than \$20,000.
4. Approval of Feasibility Study Report, if so directed by the General Manager.
5. Approval of necessary CEQA documents.
6. Approval of the project Engineer's Report.
7. Approval of any agreements (i.e. grant funding, interagency).
8. Approval of advertising construction contracts.
9. Award of construction contracts.
10. Approval of change orders greater than 5% of the construction budget.
11. Approval of Notice of Completion.

The District primarily uses long-term debt to fund capital projects. The District policy for using long-term debt was established in October 2000. The policy calls for the following:

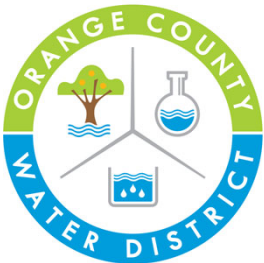
- ◆ Preliminary project expenses related to direct research are to be paid from the General Fund.
- ◆ Project expenses for items such as feasibility reports, pilot studies, engineer reports, compliance with CEQA, and project design and construction may be capitalized and funded with long-term debt.
- ◆ Project expenses that are capitalized and funded with long-term debt and do not lead to the construction of a project will require an adjustment by the Accounting Department to pay off the long-term debt incurred using cash reserves.




Fiscal Year 2024-25 Capital Improvement Program Budget Review

Water Issues Committee

April 10, 2024

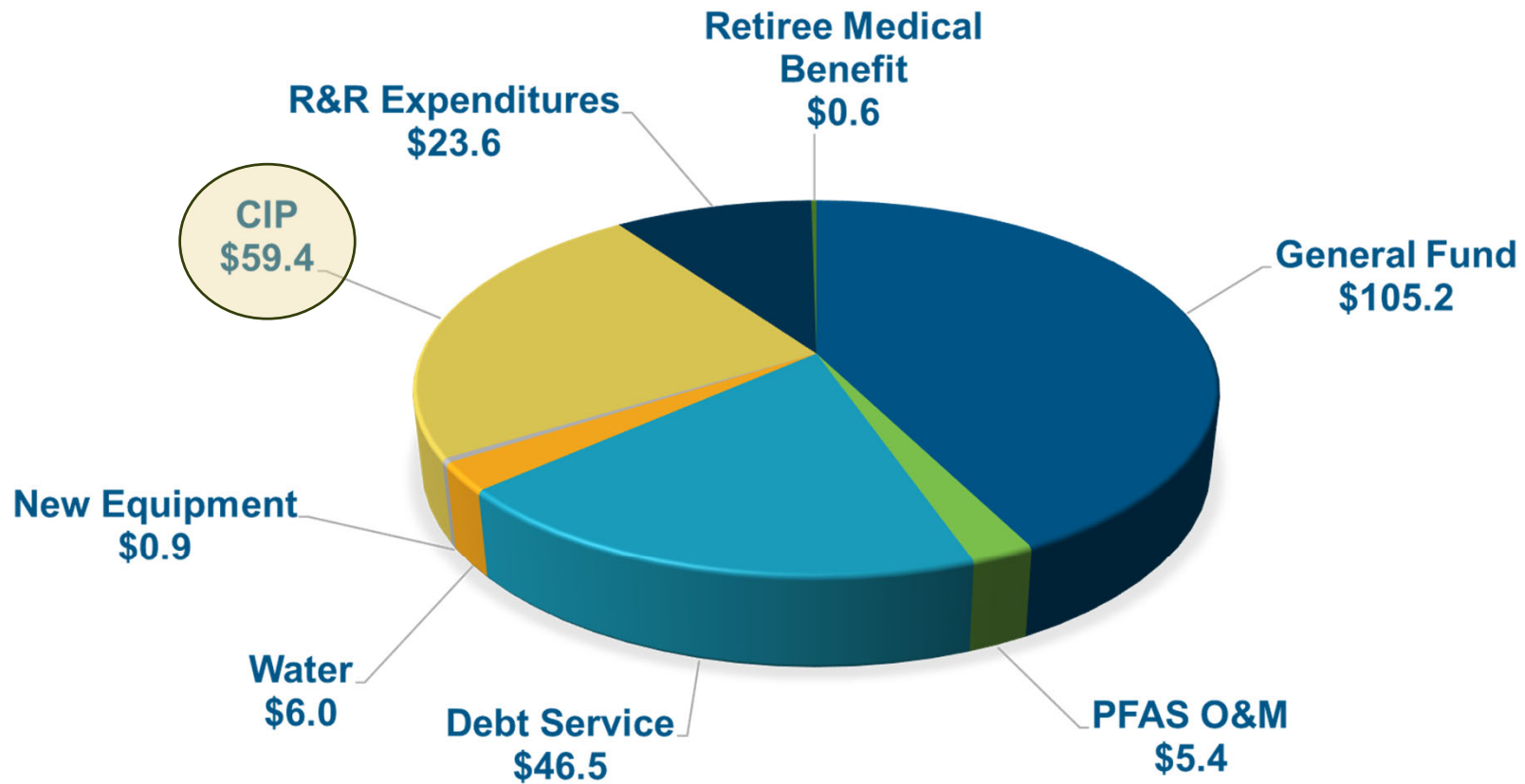


FY 2024-25 Budget Schedule

Date	Meeting	Topic
December 14, 2023	Admin/Finance Cte	Budget preparation overview and kick-off
January 11, 2024	Admin/Finance Cte	Provide preliminary BPP and RA estimates
March 6, 2024	Board	Present Draft Budget
March 13, 2024	Producers	Present Draft Budget
March 13, 2024	Water Issues Cte	Review Water Budget
March 14, 2024	Admin/Finance Cte	Review R&R Budget
April 10, 2024	Producers	Discuss Draft Budget
April 10, 2024	Water Issues Cte	Review CIP Budget 
April 11, 2024	Admin/Finance Cte	Review General Fund Budget
April 17, 2024	Board	Public Hearing to set RA & BPP Consideration to approve budget

FY 24-25 Budget Components

Expenditures - \$247.6 million



Summary of Proposed 2024-25 CIP

- FY 2024-25 - 27 CIP cost of \$59.4 Million
 - 27 CIP projects are funded through PAYGO, WIFIA and grants.

Pre-Design

- Feasibility Study
- Engineer's Report
- CEQA



Board Action

Design

- Plans
- Specifications



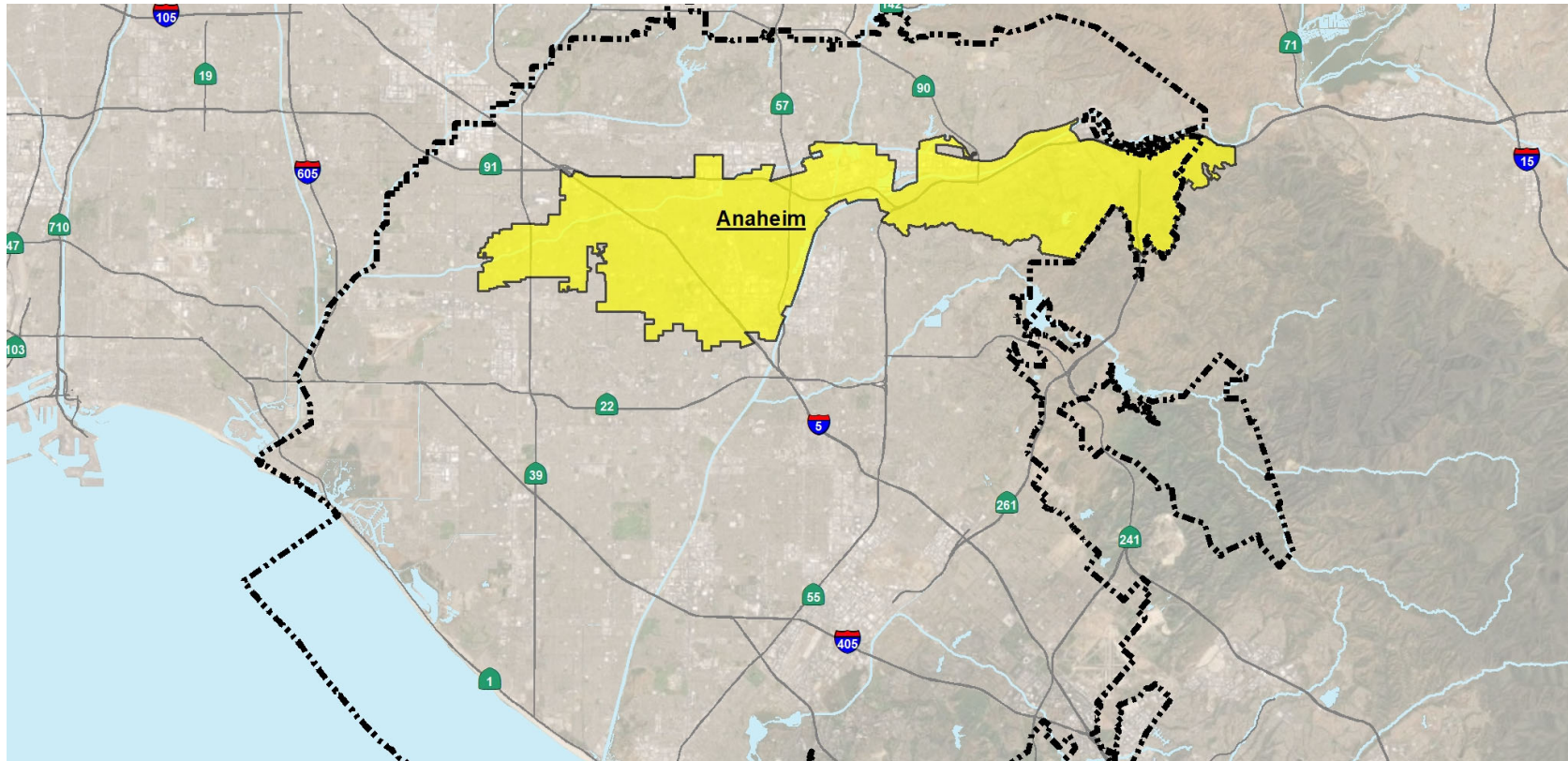
Board Action

Construction

FY2024-25 CIP Projects

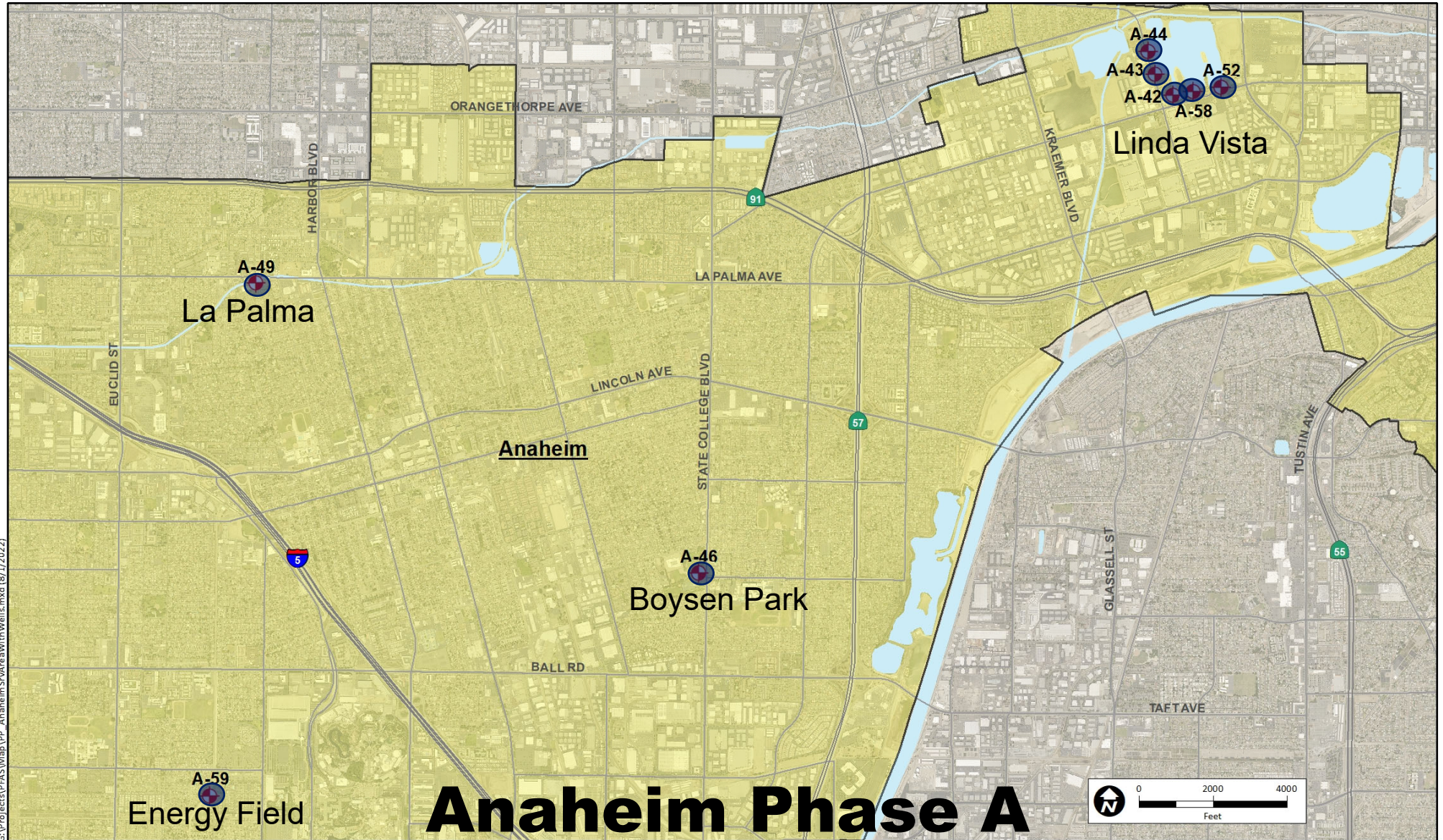
Project	Amount
Producer (20) PFAS Treatment System(s)	\$58,304,783
South Basin Groundwater Protection Project	313,917
Prado Shooting Range Interim Remediation	200,000
Bolsa Gap Seawater Intrusion Monitoring Well	200,000
Talbert Gap Seawater Intrusion Monitoring Well	171,000
Shallow Aquifer Monitoring Wells (2) for Basin Storage Calcs.	114,077
Shallow Aquifer Monitoring Wells (3) for Basin Storage Calcs.	50,000
R&D ERC Pilot & Test System Upgrades	<u>30,000</u>
Total	\$59,383,777

Anaheim PFAS Treatment Systems

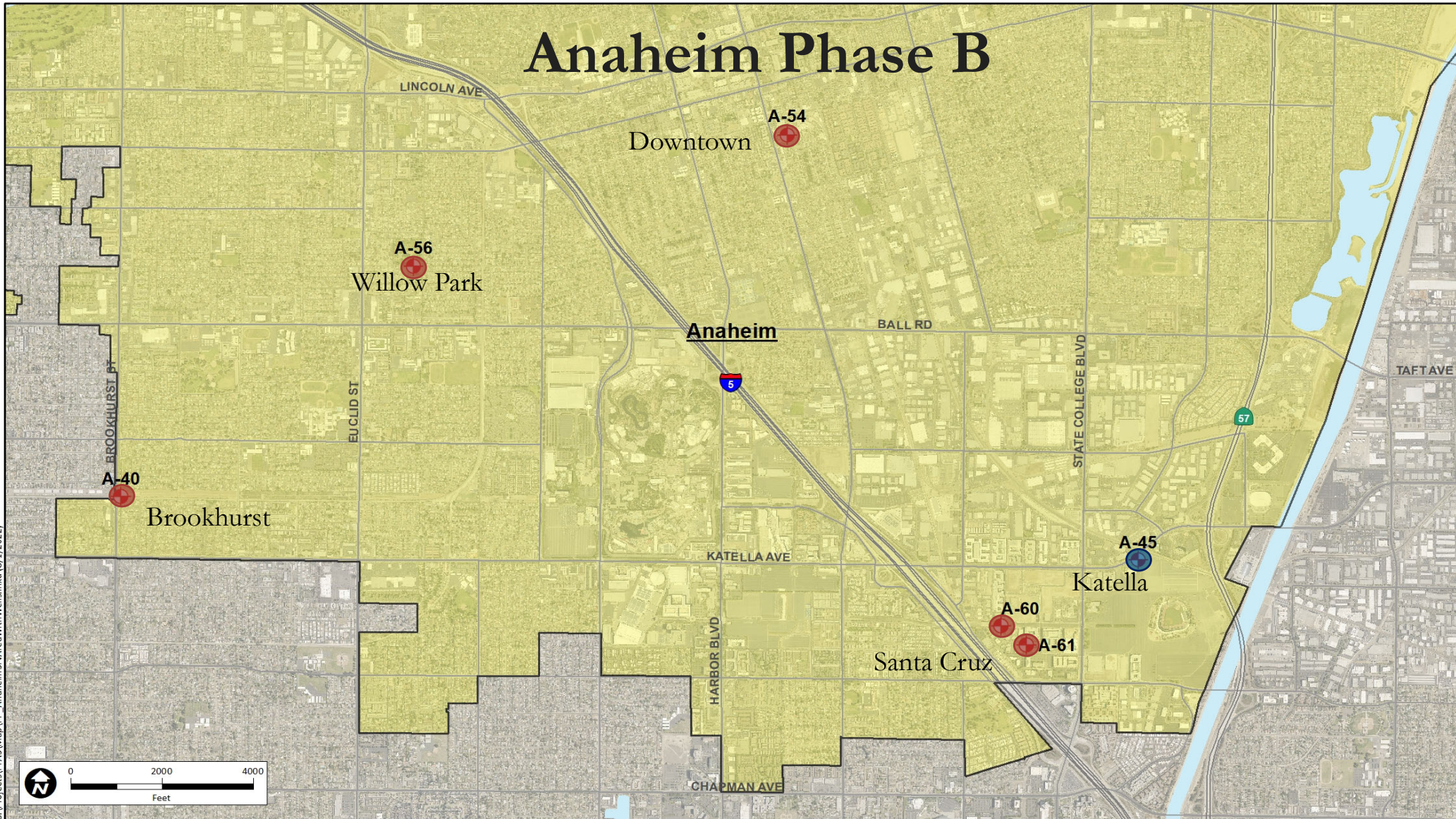


FY 2024-25 Cost: \$10 million
Total Capital Cost: \$117 million

Projected 2024-25 Activity
• Construction



Anaheim Phase B



Santa Cruz



Wells 60 and 61 buildings and perimeter wall construction are almost complete. On-site electrical work and pipeline work continues. Work on the 24-inch Orangewood pipeline continues. Other pipeline and electrical work on Stanford and Santa Cruz St was completed.

Downtown



Resin fill will occur after pump has been installed and tested. Building modifications continue in preparation for new equipment and VFD.

Brookhurst



Brookhurst - Installation of piping and electrical for new well pump continues. Other site work, such as chlorine systems and utilities continues.

Willow Park



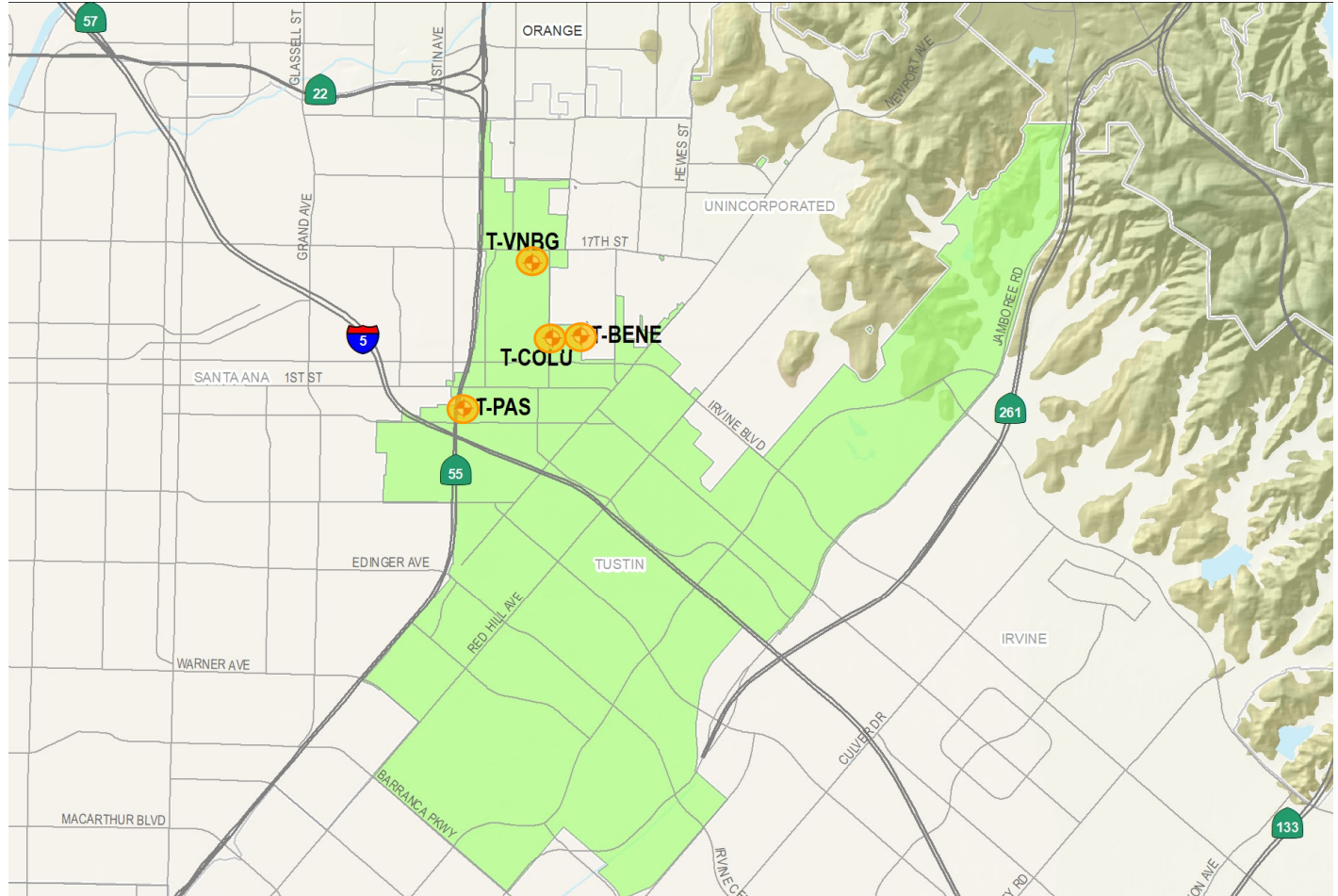
Above and underground piping installation continues. Building modifications for new equipment and VFD continues.

Tustin PFAS Treatment System

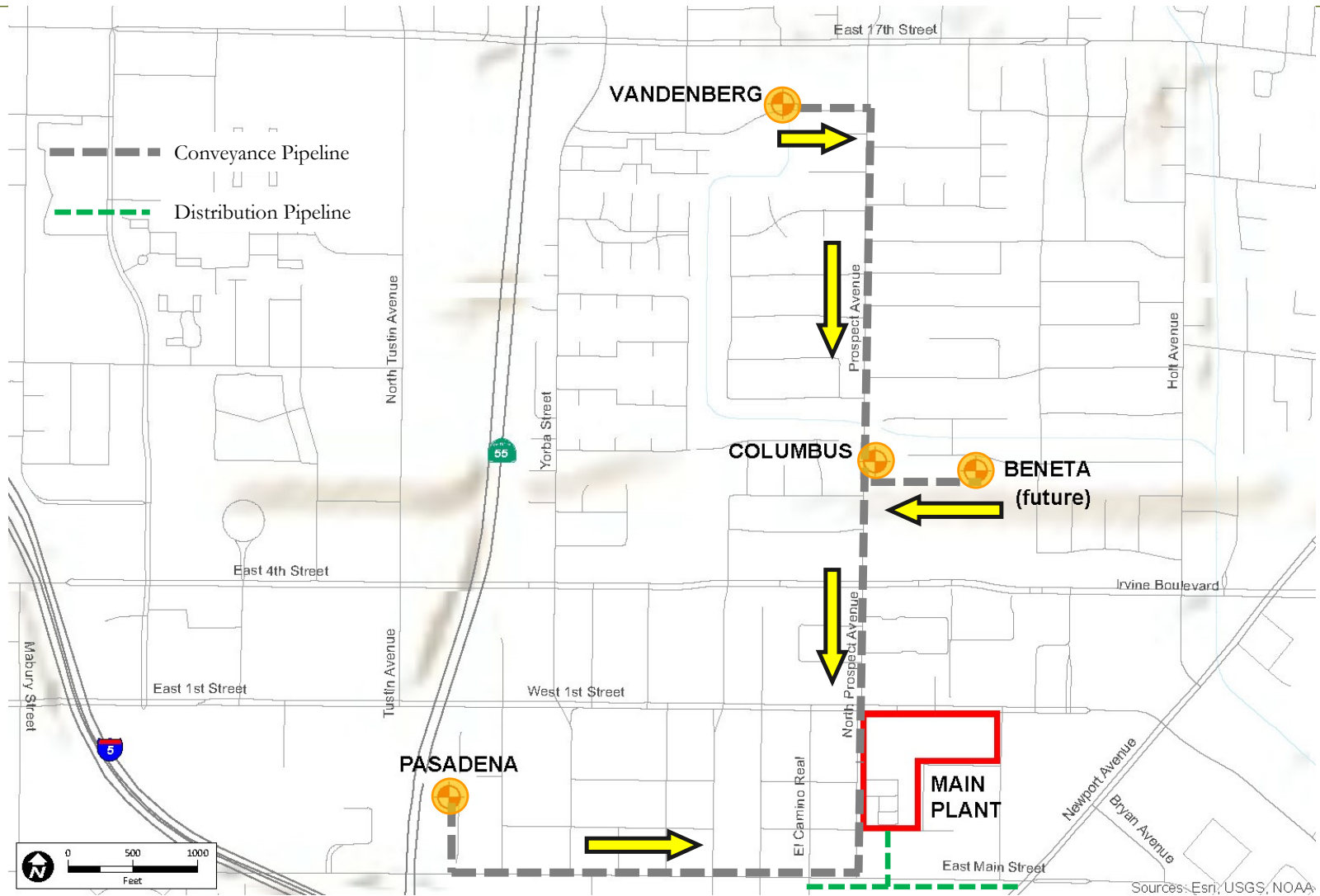
FY 2024-25 Cost: \$4 million
Total Capital Cost: \$25.8 million

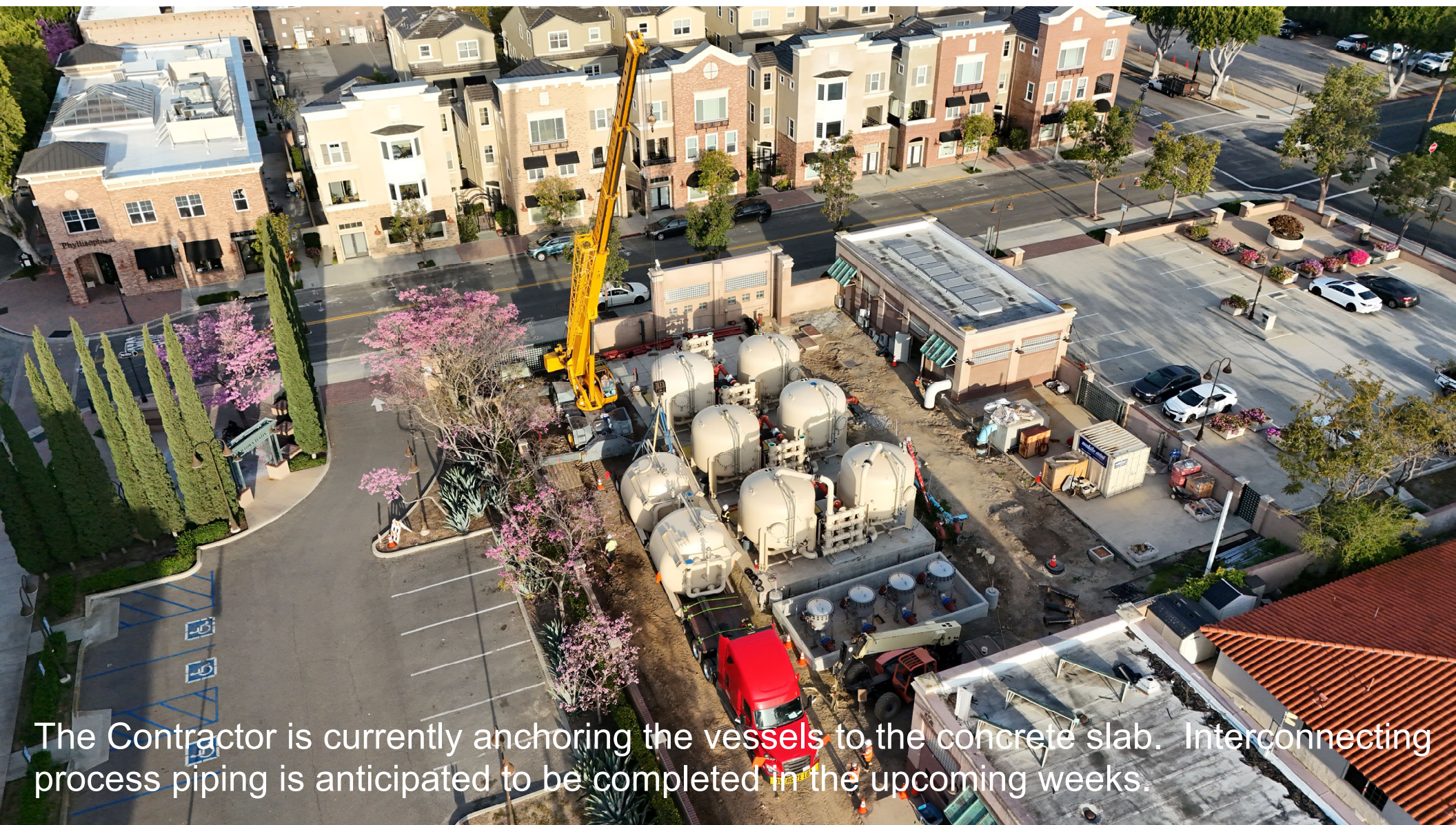
Projected 2023-24 Activity

- Construction



ORANGE COUNTY WATER DISTRICT





The Contractor is currently anchoring the vessels to the concrete slab. Interconnecting process piping is anticipated to be completed in the upcoming weeks.

Santa Ana Wells 18, 24, 32, 36 and 39 PFAS Treatment System

FY 2024-25 Cost: \$9 million
Total Capital Cost: \$25 million

Projected 2024-25 Activity

- Design/Construction



ORANGE COUNTY WATER DISTRICT

Recommendation

- Receive Board Comments

End of Presentation