

**Orange County Sanitation District
&
Orange County Water District**

**MINUTES
Joint BOARD MEETING
MARCH 28, 2001**



**ADMINISTRATIVE OFFICES
10844 ELLIS AVENUE
FOUNTAIN VALLEY, CALIFORNIA 92708-7018**

ROLL CALL

A joint meeting of the Board of Directors of the Orange County Sanitation District and the Board of Directors of the Orange County Water District was held on March 28, 2001, at 6:30 p.m., in the District's Administrative Offices. Following the Pledge of Allegiance and invocation the roll was called and the Secretary reported a quorum present as follows:

ACTIVE DIRECTORS

ALTERNATE DIRECTORS

X	Norman Z. Eckenrode, Chair	Constance Underhill
X	Peter Green, Vice Chair	Dave Garofalo
X	Steve Anderson	Steve Simonian
X	Don Bankhead	Jan Flory
X	Shawn Boyd	John Larson
X	Guy Carrozzo	Larry Crandall
X	Brian Donahue	Bill Estrada
X	James M. Ferryman	Arlene Schafer
X	John M. Gullixson	Michael Duvall
X	Alice B. Jempsa	Arthur DeBolt
X	Tony Kawashima	Tracy Worley
X	Beth Krom	Mike Ward
X	Mark Leyes	Bruce Broadwater
X	Shirley McCracken	Tom Daly
X	Pat McGuigan	Alberta Christy
X	Roy Moore	Marty Simonoff
X	Mark A. Murphy	Joanne Coontz
X	Joy Neugebauer	Grace Epperson
X	Russell Patterson	Richard A. Freschi
X	Anna L. Piercy	Tim Keenan
X	Tod Ridgeway	Gary Adams
X	Jerry Sigler	Jim Dow
A	Jim Silva	Chuck Smith
X	Peer Swan	Darryl Miller
X	Paul Walker	Kenneth Blake

STAFF MEMBERS PRESENT: Blake Anderson, General Manager; Penny Kyle, Board Secretary; Bob Ghirelli; Lisa Lawson; Dave Ludwin; Patrick Miles; Bob Ooten; Lisa Tomko; Gary Streed; Sonja Wassgren; Jean Tappan; Jim Herberg; Wendy Sevenandt; Paula Zeller

OTHERS PRESENT: Brad Hogan; General Counsel; Don Hughes; Jerry King; Irv Pickler; Jan Flory; West Bannister; Kathryn Barr; Denis Bilodeau; Lawrence P. Kraemer, Jr.; Philip L. Anthony; Jan Debay; Brett Franklin; Clarke Ide, General Counsel; Bill Mills, General Manager; Janice Durant; Andrew Czorny; John Kennedy; Tom Knoell; Tom Dawes; Andrea Haas; Martha West; John Bonsangue; Tim Sovich; Laura Cernog; Ryan Irish; Dan & Tiffany Buter; Judy Wooton; Stan

Wooton; Jeremy Davis; Bruce Dosier; Carl & Donna Nelson; Mike Samples; Judy-Rae Karlsen; Mike Wehner; Nira Yamachista; Stephanie Strohman; Patrick A. Lewis; Rita Hirthian; J.L. Davis; Shivaj Deshmurk; Jan Vandersloot; Eileen Murphy; Michelle Tuchman; Bill Tappan; Alberta Christy; Debra Burris; Kelly Burn-Roy; Dick Cornell; Ron Wildermuth; Joan Irvine Smith; Mary K. Antonelli; Irwin Haydock; Joseph Racano; Larry Porter; Fred Bockmiller; Jim Atkinson; Lou Baker; Ronald C. Schlenker; Justin McCusker; Marge England; Judith Gielow; Reed L. Royalty; Patrick Scanlon; Jim Sullivan; Bruce Chalmers; Dennis Kasper; Ronald Schlenker; Jim Ross; Richard Bell; Terry Lane; Bill Everest; John T. Morris; Paul R. Brown; Kevin Alexander; Dick Sudak; Ken Stedman; Tricia Jakubiak; Ed LaBahn; Dan Walker; Steve Ro; Dr. James Gates; James Peterson; Keith Lyon; Sister Sharon Fritsch; Sister Mariguita Domingo; Edgar Fandialan; Don Herz; Steve Tedesco; Michael Boess; John Carlson; Diana Leach; Don Calkins; Mike Wellborn; Fred Broush; Ted Poponchah; Ian Skidmore; Linda Feffer; Mike Payne; Ted Butteriss; Bob Kellison; Dave Houston; Robert M. Bell, Jr.

REPORT OF THE CHAIR

Norm Eckenrode, Chair, welcomed those attending the joint meeting of the Orange County Sanitation District (OCSD) and Orange County Water District (OCWD) regarding the groundwater replenishment project (GWR). He stated that this project would be the single best project for Orange County residents and businesses.

Mr. Eckenrode announced the Anaheim City Council unanimously endorsed the groundwater replenishment project and supported the formation of a Groundwater Producers Advisory Group.

MOVED, SECONDED AND DULY CARRIED: Receive and file the following correspondence:

- Orange County Groundwater Producers letter dated March 25, 2001
- Orange Coast Watch letter dated March 22, 2001
- Mesa Consolidated Water District letter dated March 23, 2001
- Irvine Ranch Water District letter dated March 27, 2001
- Alicia K. DeFrezna letter dated March 27, 2001
- Phillip J. Stevens letter dated March 26, 2001
- National Water Research Institute letter dated March 27, 2001
- Orange County Business Council letter dated March 28, 2001

Chair Eckenrode reported that an additional condition in connection with Agenda Item No. 1 was added as Agenda Item No. 1(f) to establish a groundwater producers advisory group and implement to the degree possible the eleven points in the groundwater producers letter dated March 25, 2001.

Jerry King, President of the Orange County Water District Board of Directors, then gave a brief verbal report to his Board of Directors

Irv Pickler, Chair of the Joint Groundwater Replenishment System Cooperative Committee was recognized who reported on the future needs of water within Orange County. He stated that grants in excess of \$57 million have been obtained, with additional grant requests pending. The remainder of the costs will be split between OCWD and OCSD. He applauded Metropolitan Water District of Southern California for its many efforts to provide future water reliability for Southern California in the face of cutbacks in the Colorado River and threats to water from Northern California.

William R. Mills, General Manager of Orange County Water District, reported that the GWR project is a safe, economical, and environmentally responsible solution to Orange County's future water needs and will be a major part to ensure that something similar to the energy crisis does not happen to our water supply.

Blake P. Anderson, General Manager of Orange County Sanitation District, gave a brief report on the GWR project and addressed cost issues and water quality issues. He stated it would take half as much power to reclaim the water than it takes to import water. Reclamation of water has been going on within the state for over 30 years. This project provides additional technologies such as microfiltration and reverse osmosis.

PUBLIC COMMENTS

Mary K. Antonelli of Huntington Beach stated that the water reclamation project is a good idea but feels that full secondary treatment should be addressed before going forward with the groundwater replenishment project.

Irwin Haydock of Fountain Valley stated he was in favor of the water reclamation project. However, he asked the Directors for a promise to provide a web-based tool to allow the public to participate in the project, planning, modeling, implementation and monitoring, in order to forecast future environmental, economic and societal implications of what your actions accomplished tonight.

Jan Vanderslood of Newport Beach spoke against the groundwater replenishment project until all wastewater is subjected to full secondary treatment prior to being sent to the ocean outfall. He was also concerned with increased pollution to the ocean and limits being exceeded beyond what the Clean Water Act has approved.

Eileen Murphy of Huntington Beach urged the Directors to go to full secondary treatment of its effluent that will be put into the ocean.

Joseph Racano of Huntington Beach warned Directors that to approve this project would be the subject of scorn and ridicule for generations. The project would increase the impurities put through the ocean outfall with less water causing increased bacteria and damage to the ocean. He stated that reverse osmosis was not foolproof and there would be an increased probability of injecting viruses into our drinking water. He was also concerned that by the time mistakes are discovered, remedies will be costly and late in coming. He feels the entire project is a thinly veiled scheme to stop salt-water intrusion so the building industry, which owns our politicians and our politics, can continue on their merry over-building way.

Larry Porter of Newport Beach asked Directors if the groundwater replenishment system project was the final solution.

Fred Bockmiller of Costa Mesa spoke in favor of the groundwater replenishment system project. He expressed concern about costs and feels the groundwater producers have made a set of recommendations that are sound and will help keep costs in control. He challenged Orange County Sanitation District to look at issue of cost sharing. Currently OCSD is committed to 50% of the capital construction costs, and they are not committing in any way to operational and maintenance costs of the project.

Jim Atkinson of Mesa Consolidated Water District addressed the Directors and expressed support for the groundwater replenishment project and the inclusion of Item 1(f). He would also like to include a member from each of the boards to participate in the advisory group.

Lou Baker of Huntington Beach addressed the Directors who spoke in support of the groundwater replenishment system. However, he feels more study needs to be done prior to \$34 million being spent in contracts and also urged the district to discharge cleaner water through the outfall.

Ronald C. Schlenker of the Industrial Environmental Coalition of Orange County spoke in support of the groundwater replenishment project.

Justin McCusker, representing the Orange County Business Council, spoke in support of the groundwater replenishment project. A letter was submitted to the Board in support of the project that evening.

Judith Gielu, representing the Orange County League of Women Voters, spoke in support of the groundwater replenishment project.

Reed Royalty, representing the Orange County Taxpayers Association, spoke in support of the groundwater replenishment project.

Patrick Scanlon of the Groundwater Producers Council spoke in support of the groundwater replenishment project.

Joan Irvine Smith spoke to the Directors in support of the groundwater replenishment project. She also stated that it was imperative that the freshwater and marine environments be protected. She requested that the Orange County Sanitation District look into alternative methods of the sewage outfall and problems associated with it.

Director Peter Green then requested staff to comment on statements made that evening on public information programs and the ability to access information via the website on a continuing basis. Mr. Mills of the Orange County Water District stated there was a website, gwrsystem.com, where current information would be available.

Blake Anderson, General Manager of Orange County Sanitation District, responded that access to information by the public is also available on the district's website, ocsd.com. He stated that the 301(h) waiver is issued by the Environmental Protection Agency and the California Regional Water Quality Control Board. The permit has extensive requirements the District must consistently achieve. Issues related to the level of treatment and the impact on the environment is of supreme importance to OCSD. He assured the public that the District's marine monitoring program assures that the District is effectively protecting the environment and public health. This summer the District will be spending an additional \$2 million on extensive studies to test the hypothesis that was suggested by Dr. Stanley Grant of UCI, that suggests under certain oceanographic conditions there is a possibility that the edge of the District's plume is pulled into shore. If these studies suggest that a higher level of treatment is required, Mr. Anderson assured this information would be released immediately to the public by the Orange County Sanitation District.

RECESS: The Chair announced a 10-minute recess.

RECONVENE: The meeting reconvened at 8:14 p.m.

PUBLIC COMMENTS

Irwin Haydock of Fountain Valley addressed the Directors about Director Peter Green's question and the website available through the Orange County Water District and Orange County Sanitation District, as well as a website for the National Water Research Institute. His request and concern was not what he was requesting. He was requesting a system that would allow everyone to determine what is happening, how it is going and how it affects all the other things. He also requested that information be timely and more current than what is currently provided.

1. PROJECT AUTHORIZATION FOR THE GROUNDWATER REPLENISHMENT SYSTEM

Bill Mills, General Manager of OCWD, explaining items 1(a) through (f), gave a brief staff report.

A motion was made and seconded to amend Item 1(f) to remove the words "to the degree possible". Directors entered into a lengthy discussion regarding the eleven points in the groundwater producers' letter.

A substitute motion was made that Item 1(f) include "to not exceed the useful life of the project".

Some Directors expressed concern over the language of Item 1(f) and thought the wording should include "approve in concept". There was concern that the groundwater producers group would then take over the project and they would become the dictators of the project and the OCSD and OCWD control would be negated and would have to comply with every single word on the two-page document of the eleven points.

As a point of order a Director questioned if Item 1(f) needed to be voted on to add as an emergency item. General Counsel Brad Hogin explained the item did not need to be added as an urgency item because it is within the scope of the posted agenda item, which is a broad item of business within the meaning of the Brown Act to discuss authorization to proceed with the development, design and construction of the groundwater replenishment project. This item is requesting to add a specific condition to the general thrust of the proceeding with the project, and not adding an additional agenda item within the meaning of the Brown Act.

A question was directed to General Manager Blake Anderson and his thoughts on the wording within #1(f). His suggestion was to leave the language as originally drafted and submitted, or to include "approve in concept". Staff has already expressed to the groundwater producers that each of the eleven points will be considered in good faith. Many of these items have significant technical, managerial and financial merit but the long-term operation of these two agencies belong to OCSD and OCWD. General Manager Bill Mills also recommended the item be adopted as submitted to the directors.

Additional discussion was entered into among the Directors.

A roll call vote was then called on the substitute motion on Item 1(f) to delete the phrase "to the degree possible" and include deleting the phrase "incorporating a maximum 25 –year debt". The motion failed by a vote of 7 ayes to 17 noes.

Director Swan made a motion that the consideration of the groundwater replenishment project be tabled for 90 days during which time the Joint Cooperative Committee can hire another engineering firm to do a value engineering design on the \$34 million sole source design contract to make sure the design is the best that is possible and allow time to answer questions being brought up tonight and to come up with language that will be acceptable between the groundwater producers advisory committee and the Joint Cooperative Committee. The motion failed by a vote of four ayes and 20 noes.

It was then MOVED, SECONDED AND DULY CARRIED:

- A. Find that pursuant to California Environmental Quality Act (CEQA) guidelines, Section 15164, that some changes or additions to the 1999 Strategic Plan EIR certified in October 1999 are necessary but none of the conditions described in Section 15162 have occurred and that Addendum No. 1 is approved.
- B. Find that pursuant to California Environmental Quality Act (CEQA) guidelines, Section 15164, that some changes or additions to the EIR/EIS on the Groundwater Replenishment System certified in March 1999 are necessary but none of the conditions described in Section 15162 have occurred and that Addendum No. 1 is approved.
- C. Authorize the Orange County Water District, in conjunction with the Orange County Sanitation District, to proceed with the final design, construction and operation of the Phase 1 Groundwater Replenishment System under the direction of the Joint Groundwater Replenishment System Cooperative Committee.
- D. Establish and find that construction of the Groundwater Replenishment System is feasible, necessary, and beneficial to the lands of the District, and establish a project budget of \$352 million (\$352,000,000). (This item was an Orange County Water District only item. OCSD did not vote on Item 1(d).)
- E. Approve a budget amendment to the Orange County Sanitation District project budget of \$4,478,000 for the Groundwater Replenishment System, Job No. J-36, for a total project budget of \$182,700,000.
- F. Establish a groundwater producers advisory group and to the degree possible implement the eleven points in the groundwater producers' letter dated March 25, 2001.

Directors Steve Anderson, Shawn Boyd, John M. Gullixson, Mark Leyes, Mark A. Murphy and Peer Swan opposed.

2. INTERIM GOVERNANCE RECOMMENDATIONS

MOVED, SECONDED AND DULY CARRIED:

- A. Approve Amendment No. 4 to the Cooperative Agreement for Project Planning for the Groundwater Replenishment System, granting the Orange County Water District Board of Directors authority to award a contract for the Groundwater Replenishment Pipeline – Theo Lacy Parking Facility in an amount not to exceed \$5 million (\$5,000,000) and to

approve change orders not to exceed 10% of the original contract amount, and granting the Orange County Water District General Manager authority to sign permits and contracts.

- B. Approve agreement between the Orange County Flood Control District, the County of Orange and the Orange County Water District for providing early construction of Groundwater Replenishment Pipeline within County property adjacent to the Theo Lacy Jail Facilities and for reimbursement of costs for construction of County parking facilities over the pipeline. (This item was an Orange County Water District only item. OCSD did not vote on Item 2(b)).
- C. Approve the plans and specifications for the Groundwater Replenishment Pipeline – Theo Lacy Parking Facility, for the early construction of a portion of the Groundwater Replenishment Pipeline and parking lot for the Orange County Sheriff's Department and authorize staff to advertise for competitive bids.

3. CONSULTING AND STAFFING SERVICES FOR FINAL DESIGN, CONSTRUCTION AND START-UP SERVICES FOR IMPLEMENTATION OF THE GROUNDWATER REPLENISHMENT SYSTEM

MOVED, SECONDED AND DULY CARRIED:

- A. Approve Addendum No. 3 to Camp Dresser & McKee Inc. increasing the authorized amount by \$29,924,187, from \$5,039,920 to an amount not to exceed \$34,964,107 for final design, construction support services, and start-up services for the Groundwater Replenishment System. The amount shall be shared equally between Orange County Water District and Orange County Sanitation District.
- B. Approve Addendum No. 2 to Separation Processes Inc., Task Order No. 201301 increasing the authorized amount by \$1,455,530, from \$445,880 to an amount not to exceed \$1,901,410 for the final design of the Microfiltration and Reverse Osmosis components of the Groundwater Replenishment System. The amount shall be shared equally between Orange County Water District and Orange County Sanitation District.
- C. Approve Addendum No. 2 to Task Order No. 201312 with Carl R. Nelson, increasing the authorized amount by \$371,000, from \$61,200 to an amount not to exceed \$432,200 for four years of project support in securing permits, rights-of-way agreements, reviewing plans, and providing liaison with agencies during construction, and water pipeline construction overview. The contract includes annual hourly rates at:
- \$89 per hour for April 1, 2001 to March 31, 2002
 - \$92 per hour for April 1, 2002 to March 31, 2003
 - \$95 per hour for April 1, 2003 to March 31, 2004
 - \$98 per hour for April 1, 2004 to March 31, 2005

The amount shall be shared equally between Orange County Water District and Orange County Sanitation District.

- D. Approve a Task Order to Gerald Jones dba Linjer Company, for an amount not to exceed \$97,400 for specialty services for the final design of the Groundwater Replenishment System, which includes assistance in developing and implementing the integrated computerized systems and the supporting business plan. The amount shall be shared equally between Orange County Water District and Orange County Sanitation District.
- E. Approve Addendum No. 4 to Task Order No. 200539 to James W. Williams increasing the authorized amount by \$148,400, from \$35,000 to an amount not to exceed \$183,400 for specialized engineering services for four years of project support for securing permits and rights-of-way agreements, providing technical review, and serving on an independent review team at:
- \$89 per hour for April 1, 2001 to March 31, 2002
 - \$92 per hour for April 1, 2002 to March 31, 2003
 - \$95 per hour for April 1, 2003 to March 31, 2004
 - \$98 per hour for April 1, 2004 to March 31, 2005

The amount shall be shared equally between Orange County Water District and Orange County Sanitation District.

- F. Approve Addendum No. 2 to Task Order No. 202091 with Debra Burris, dba DDB Engineering, Inc., to provide engineering services and serve as Project Coordinator for the Groundwater Replenishment System, increasing the maximum hours from 1500 hours per year to 1800 hours per year, and extending the contract time from October 11, 2003 to October 10, 2005 at hourly rates of:
- \$90 per hour for October 11, 2003 to October 10, 2004
 - \$93 per hour, October 11, 2004 to October 10, 2005

(Current approved rates vary from \$78.75 per hour for October 11, 2000 to October 10, 2001, to \$86.82 per hour for October 11, 2002 to October 10, 2003.) The cost is estimated at \$700,000, to be shared equally between Orange County Sanitation District and Orange County Water District.

- G. Approve a four-year limited-term Orange County Water District employment agreement with Thomas M. Dawes to act as Program Manager for the Groundwater Replenishment System at hourly rates of:
- \$95 per hour for April 23, 2001 to April 22, 2002
 - \$97 per hour for April 23, 2002 to April 22, 2003
 - \$99 per hour for April 23, 2003 to April 22, 2004
 - \$100 per hour for April 23, 2004 to April 23, 2005

The Limited-Term Employment contract provides for hourly rate compensation, no benefits, a maximum pay of 40-hours per week, and contract cancellation on a 30-day notice. The contract amount will be shared equally between Orange County Sanitation District and Orange County Water District.

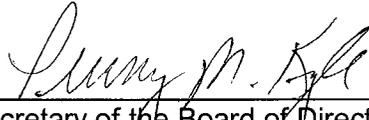
H. Approve a four-year limited-term Orange County Water District employment agreement with Laura Thomas to manage project tasks in the electrical and instrumentation disciplines for the Groundwater Replenishment System at hourly rates of:

- \$75 per hour for April 1, 2001 to March 31, 2002
- \$78.75 per hour for April 1, 2002 to March 31, 2003
- \$82.69 per hour for April 1, 2003 to March 31, 2004
- \$86.82 per hour for April 1, 2004 to March 31, 2005

The Limited-Term Employment contract provides for hourly rate compensation, no benefits, a maximum pay of 40-hours per week, and contract cancellation on a 30-day notice. The amount shall be shared equally between the Orange County Sanitation District and the Orange County Water District.

Directors Mark Leyes and Peer Swan opposed.

ADJOURNMENT: The Chair declared the meeting adjourned at 9:31 p.m.


Secretary of the Board of Directors of
Orange County Sanitation District