

MINUTES

SANTA MARGARITA WATER DISTRICT

BOARD OF DIRECTORS

REGULAR MEETING

JANUARY 11, 2023

5:30 PM CLOSED SESSION 6:30 PM OPEN SESSION

BOARDROOM, DISTRICT OFFICE

26111 ANTONIO PARKWAY, RANCHO SANTA MARGARITA, CA 92688

To join the meeting online at Microsoft Teams or Telephone Audio:

Telephone Audio: +1 323-553-2644 fees may apply

Telephone Audio ID: 476 298 20#

<https://tinyurl.com/5935hj29>

TELECONFERENCE LOCATION

91-1047 KAI ANAE ST.

EWA BEACH, HI 96706-6264

ATTENDEES

Frank Ury	President
Sandra F. Jacobs	Vice President (Remote)
Betty H. Olson	Director (Remote)
Charles T. Gibson	Director
Laura Freese	Director
Daniel R. Ferons	General Manager
Don Bunts	Deputy General Manager
Chip Monaco	Chief Administrative Officer
Erica Castillo	Chief Financial Officer
Tricia Butler	Chief Engineer
Jim Leach	Director of External Affairs
Kelly Radvansky	Secretary to the Board of Directors
Stacey Bruno	Executive Assistant
Paul Pender	Director of Financial Planning & Analytics
Nicole Stanfield	Public Information Manager
Scott Smith	Best Best & Krieger
Deborah Diep	Center for Demographics Research at Cal State Fullerton
Mike Balsamo	Rancho Mission Viejo
Megan Yoo Schneider	MWDOC
Osman Mufti	Sloan Sakai

1. CALL TO ORDER

The meeting was called to order at 5:30 p.m. by President Frank Ury.

Director Olson noted her remote attendance under AB2449 Just Cause for health issues.

Vice President Jacobs noted her attendance under teleconference procedures per the Brown Act.

Kelly Radvansky, Secretary to the Board of Directors, read the teleconference procedures for the record.

2. PLEDGE OF ALLEGIANCE

Chip Monaco, Chief Administrative Officer, led the Pledge of Allegiance.

The Board exited open session and entered closed session at 5:34 p.m.

3. CLOSED SESSION

3.1 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to Government Code section 548956.9(d)(2)

Number of potential cases: 1

4. REPORT OF CLOSED SESSION

The meeting reconvened in open session at 6:56 p.m. with no reportable action in closed session.

5. PUBLIC FORUM

There were on requests to speak.

6. CONSENT CALENDAR

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Charles T. Gibson, Director
SECONDER:	Saundra F. Jacobs, Vice President
AYES:	Ury, Jacobs, Olson, Gibson, Freese

6.1 Consideration and Action on the Board Meeting Minutes – December 7, 2022

Recommendation: Approve the Minutes – December 7, 2022

6.2 Consideration and Action on the Board Meeting Minutes – December 16, 2022

Recommendation: Approve the Minutes – December 16, 2022

6.3 Consideration and Action on Approval of Expenses for Vice President Jacobs Attendance at the California Association of Sanitation Agencies Winter Conference in Palm Springs, California, January 25 - 27, 2023

Recommendation: Approve expenses for Vice President Jacobs to attend the California Association of Sanitation Agencies 2023 Winter Conference.

6.4 Quitclaim Easement in Tract 19163 for Temporary Domestic and Recycled Water Transmission Mains

Recommendation: Approve quitclaim of partial easement granted for construction and placement of temporary domestic water and recycled water transmission mains to serve Rancho Mission Viejo's Planning Area 3 (Village of Rienda).

6.5 Consideration and Action on Award of the Construction Contract for the Ranch Water Filtration Plant Mitigation and Five Year Maintenance Services, Contract C-1792L.01

Recommendation: Approve the award of a construction contract to Nakae & Associates, Inc. in the amount of \$281,730 for the construction of the Mitigation And Five-Year Maintenance Services, Contract C-1792L.01.

6.6 Consideration and Action on a Professional Services Contract for On-Call Construction Management Services

Recommendation: Approve an amendment of \$345,000 and renew the on-call professional services contract with Butier Engineering, Inc. for construction management services with an option to renew the contract yearly.

7. ACTION ITEMS RECOMMENDED BY COMMITTEE

7.1 Consideration and Action on Memorandum of Understanding with South Coast Water District Concerning Implementation of Water Resiliency Projects

Recommendation: Consider draft Memorandum of Understanding with South Coast Water District.

General Manager Ferons recommended this item be tabled until a response is received from South Coast Water District (SCWD). Mr. Ferons noted that SCWD provided notice they will be proposing edits to the MOU and have requested the Ad Hoc Committee convene in the next two weeks to discuss.

Director Freese asked, for the record, who the ad hoc members are. Mr. Ferons stated the Ad Hoc members from SCWD are Directors Bill Green and Scott Goldman and from SMWD are President Ury and Director Gibson.

Director Jacobs noted a few of her requests on the MOU are:

- The San Juan Basin Authority section on the agreement should have a time limit on the actions and the language should be revised from upon completion of the two actions to within six months of completion of the actions and the parties of this MOU agree the JPA will be resolved instead of may be resolved.
- The agreement for joint operations of the San Juan watershed should also have a time limit of within no later than 6 months of execution of the MOU that the parties will develop a proposal.
- Director Jacobs asked if section 6 of the agreement on the recycled water at Latham should stipulate ownership and operation.

Motion: Table the item until a response from SCWD is received.

RESULT:	TABLED [UNANIMOUS]
MOVER:	Charles T. Gibson, Director
SECONDER:	Laura Freese, Director
AYES:	Ury, Jacobs, Olson, Gibson, Freese

7.2 Consideration and Action on Award of the Construction Contract and Amendments to the Consultants Contracts for the Ranch Water Filtration Plant Off-Site Wet Utilities Project, Contract C-1792C

Recommendation:

- 1) Approve the award of a construction contract to Kingmen Construction, Inc. in the amount of \$1,799,000 for the construction of the Off-Site Wet Utilities Project, Contract C-1792C.
- 2) Amend Huitt Zollars design & construction support contract to \$129,060.
- 3) Amend Butier Engineering construction management contract to \$407,250.
- 4) Amend GMU Geotechnical, Inc. geotechnical construction support contract to \$200,411.
- 5) Amend Leatherman Bioconsulting biological monitoring and support contract to \$113,320.

Deputy General Manager Bunts stated this provides for pipelines for raw water into and treated out of the Ranch Water Filtration Plant and the steel pipe has been pre-purchased and is in fabrication.

Motion: Approve as recommended.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Saundra F. Jacobs, Vice President
SECONDER:	Frank Ury, President
AYES:	Ury, Jacobs, Olson, Gibson, Freese

8. PUBLIC HEARING

8.1 Public Hearing to Receive Public Input Regarding the Composition of the Divisions and to Consider Division Boundaries for the Transition from At-Large to By-Division Elections

Recommendation: Conduct the third public hearing to receive input from the public regarding the transition from at-large to by-division elections.

General Manager Ferons noted this item is a continuation and an opportunity to give the public one more chance for comment and questions prior to maps being presented. Mr. Ferons stated the opportunity to submit maps ends on January 13, 2023.

President Ury opened the public hearing at 7:10 p.m. and closed the public hearing at 7:11 p.m. with no comments from the public.

RESULT:	NO ACTION
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9. ACTION ITEMS

9.1 Consideration and Action on the San Juan Groundwater Plant Clearwell Replacement Project C-9490A.01

Recommendation:

- 1) Approve the proposed District’s approach to replacing the clearwell.
- 2) Award a demolition contract to Kingman Construction Inc. not to exceed \$275,000.
- 3) Award a contract to Harper and Associates Engineering for design assistance and construction inspection services not to exceed \$130,000.

Deputy General Manager Bunts stated the current clearwell has significant corrosion causing failure of the roof beams and has become a significant safety hazard and required taking the plant off-line and removal of the tank. Mr. Bunts noted the District would like to offer a \$1500 a day incentive bonus to the steel tank constructors for every day they're done in front of the anticipated regular completion date due to the plant being down is costing the District \$2800 per day because of the differential between the cost of the water to produce at the San Juan plant versus buying it from the Metropolitan Water District.

General Manager Ferons noted staff may have a walk on item at the February 1st Board meeting due to the timing of bid results. President Ury suggested agendizing the item for that meeting.

Director Gibson suggested a policy to help guide the department with establishing guidelines for incentives go to a future Engineering and Operations Committee for discussion.

Motion: Approve as recommended with the added language: 'To move the project along faster than slower with the \$1500 per day bonus incentives'.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Laura Freese, Director
SECONDER:	Charles T. Gibson, Director
AYES:	Ury, Jacobs, Olson, Gibson, Freese

9.2 Consideration and Action on Ratifying the Revised Pre-purchase Cost of the Membrane Equipment for the Treatment Expansion at the Oso Creek Water Reclamation Plant, Contract C-1035T.02

Recommendation: Ratify the issuance of a revised purchase order to Fibracast Ltd. in the amount of \$3,724,608 for the membrane and associated equipment for Oso Creek Water Reclamation Plant.

Deputy General Manager Bunts stated the Board previously authorized this purchase however the final design and negotiations identified design changes.

Motion: Approve as recommended.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Sandra F. Jacobs, Vice President
SECONDER:	Laura Freese, Director
AYES:	Ury, Jacobs, Olson, Gibson, Freese

9.3 Consideration and Action on Appointment of Director and Alternates to South Orange County Wastewater Agency Board of Directors

Recommendation: Retain General Manager as the Director, Deputy General Manager as the First Alternate and appoint Chief Financial Officer as Second Alternate.

Motion: President Ury be named Director, General Manager Ferons be named 1st Alternate, and Chief Financial Officer, Erica Castillo, be named second alternate.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Frank Ury, President
SECONDER:	Charles T. Gibson, Director
AYES:	Ury, Jacobs, Olson, Gibson, Freese

9.4 Consideration and Action on Scheduling Future Agenda Items

Recommendation: Approve items for inclusion on future Board and Committee agendas of the District.

Director Olson requested a briefing at the Water Quality and Treatment Committee on the Salt and Nutrient Model. Director Gibson requested a report on this after reviewed by the committee. General Manager Ferons noted the work is underway and it will be scheduled when it is available.

10. GENERAL COUNSEL REPORT

Scott Smith, Best Best and Krieger, discussed meeting notes relating to the EPA's final action on adopting a rule that defines Waters of the United States.

President Ury requested a report on San Juan Creek and waterways in the District's jurisdiction.

11. DIRECTORS REPORTS OF OUTSIDE MEETINGS AND EVENTS

Vice President Jacobs noted she attended a few MWDOC meetings, and as an individual, not representing the Board, expressed her discomfort with Orange County Water District's deal points with MWDOC.

Director Olson expressed her appreciation for the drought ads she has been seeing around the community.

Director Gibson noted the impact the District has had on federal affairs and reported on a meeting he had with the National Water Resources Association.

Director Freese reported her attendance at MWDOC meetings and an ACWA Region 10 meeting.

President Ury reported on his attendance at the swearing in of the Board President of the Metropolitan Water District.

12. ADJOURNMENT

The meeting closed at 7:50 p.m.

The next Regular Board of Directors' meeting is scheduled for January 20, 2023 at 8:30 a.m.