

MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
September 3, 2020

At 10:00 a.m., President Tamaribuchi called to order the Special Meeting of the Municipal Water District of Orange County Board of Directors, via the Zoom Webinar application (pursuant to the Governor's Executive Order due to the spread of the COVID-19 virus, the meeting was conducted via Zoom). Director Thomas led the Pledge of Allegiance and Secretary Goldsby called the roll.

MWDOC DIRECTORS

Vacant
Larry Dick
Joan Finnegan
Bob McVicker
Sat Tamaribuchi
Jeffery M. Thomas
Megan Yoo Schneider

STAFF PRESENT

Robert Hunter, General Manager
Karl Seckel, Assistant General Manager (absent)
Joe Byrne, Legal Counsel
Maribeth Goldsby, Board Secretary
Harvey De La Torre, Associate General Manager
Chris Lingad, Associate Engineer
Melissa Baum-Haley, Prin. Water Res. Analyst
Kevin Hostert, Water Resources Analyst
Charles Busslinger, Principal Engineer
Heather Baez, Government Affairs Manager
Cathy Harris, Director of Admin. Services

ALSO PRESENT

Jim Atkinson
Mike Markus
John Kennedy
Charles Gibson
Saundra Jacobs
Justin McCusker
Dan Ferons
Greg Mills
Jerry Vilander
Maykel Hanna
Mike Maurer

Mesa Water
Orange County Water District
Orange County Water District
Santa Margarita Water District
Santa Margarita Water District
Santa Margarita Water District
Santa Margarita Water District
Serrano Water District
Serrano Water District

PUBLIC COMMENTS

No comments were received.

ACTION ITEM

**AWARD CONSTRUCTION CONTRACT FOR ADMINISTRATION BUILDING
SEISMIC RETROFIT AND REMODEL**

Principal Engineer, Charles Busslinger, advised that subsequent to the Board's action (in August) to defer this item, the Orange County Water District (OCWD) Board voted unanimously to approve MWDOC's License Agreement for the construction, with the exception that the storage room be omitted from the construction plans, and the ADA work be done as soon as possible. He also advised that MWDOC received one bid protest and

that (working with legal counsel) it was determined the protest had no grounds for rejecting the lowest bid. Mr. Busslinger reiterated the staff recommendation -- to award the contract to the low bid, and he provided an overview of the work to be completed.

Considerable discussion ensued regarding the terms of the Lease Agreement between MWDOC and OCWD, including the License Agreement fees, whether the Agreement allows for expansions (yes), and the size and function of the proposed storage unit (165 sq. feet to be used for table/chair storage and WEROC EOC items).

General Manager Hunter advised that OCWD sent a letter suggesting MWDOC explore alternatives to the storage building, such as using the Board Room storage for its needs. Mr. Hunter advised that he reviewed the Board Room storage closet, but determined there was not ample space to accommodate both agencies.

Director Jacobs (SMWD) commented that in light of the current financial climate (due to COVID), it would be prudent to only conduct the seismic work, not the office improvements/remodeling. She advised that SMWD was holding off on any office improvements until post pandemic; she encouraged the MWDOC Board to do the same.

Director Dick noted he was hesitant to continue with the office remodel (due to cost and the current financial climate), however he noted the years of planning and low bid, suggesting the cost may increase substantially post pandemic, as well as the fact that the building is mostly vacant (due to employees working from home), indicating it may be a good time for construction.

Legal Counsel Byrne commented that the Lease allows each agency to grow and expand, requires cooperation between the two agencies, and allows MWDOC to conduct building improvements.

In response to the OCWD Board's action, President Tamaribuchi asked whether the storage building was essential, and suggested it would be prudent to explore (with OCWD staff) alternatives.

Responding to an inquiry from Director McVicker, General Manager Hunter provided an overview of the Board's options, including (1) approving the construction contracts (with storage building) and pursue resolution via the Lease Agreement terms (arbitration), (2) approve the construction contracts without the storage building (and search for alternatives), or (3) re-assess the real estate market for a potential move.

Director McVicker made a MOTION to approve Option 1, which was seconded by Director Yoo Schneider.

Considerable discussion ensued regarding the real estate market, the arbitration process, and the potential for a viable solution. Director McVicker suggested the Building Management Committee convene to work through the issues, as well as staff from both agencies. Director Yoo Schneider concurred.

Director Dick suggested a delay on action (until October), to allow more time for the agencies to work on an amenable compromise to the District's storage needs. Mr. Busslinger

confirmed that the bids were valid until the end of October. Director McVicker withdrew his MOTION.

President Tamaribuchi noted the consensus of the Board to defer this item until the October 5, 2020 Planning & Operations Committee meeting. President Tamaribuchi directed staff to work with OCWD to develop a mutually satisfactory solution, and evaluate all of MWDOC's options (including other properties) and present this information on October 5, 2020.

ADJOURNMENT

At 11:14 a.m., President Tamaribuchi adjourned the special meeting.

Respectfully submitted,

Maribeth Goldsby, Secretary