

MINUTES OF MEETING  
BOARD OF DIRECTORS, ORANGE COUNTY WATER DISTRICT  
January 18, 2017, 5:30 p.m.

President Bilodeau called to order the January 18, 2017 regular meeting of the Orange County Water District Board of Directors at 5:30 p.m. in the Boardroom at the District office. Following the Pledge of Allegiance to the Flag, the District Secretary called the roll and reported a quorum as follows.

Directors

Philip Anthony  
Denis Bilodeau  
Jordan Brandman  
Shawn Dewane  
Jan Flory  
Cathy Green  
Dina Nguyen  
Vicente Sarmiento  
Stephen Sheldon  
Roger Yoh

Staff

Michael R. Markus, General Manager  
Joel Kuperberg, General Counsel  
Janice Durant, District Secretary

1. Public Hearing to Consider City of Orange Well No. 27 Petition for Exemption of Payment of Replenishment Assessment and Basin Equity Assessment

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President Bilodeau opened the Public Hearing to consider the formal request by the City of Orange for a waiver of the Replenishment Assessment (RA) and Basin Equity Assessment (BEA) payments for temporary discharges from a new well No. 27. District Hydrogeologist Roy Herndon explained that during initial construction of the well a significant amount of groundwater was pumped to a storm drain until the bacteriological count met acceptable levels. He stated the water traveled to Santiago Creek where it was recharged into the groundwater basin. Mr. Herndon advised that staff has reviewed the information and believes the request meets the criteria for exemption of the RA and BEA as described in Section 38.1 of the District Act. There being no persons wishing to address the Board on this issue, President Bilodeau declared the hearing closed and the Board took the following action.

Upon motion by Director Green, seconded by Director Anthony, the following resolution was unanimously adopted [10-0] by roll call vote.

Ayes: Anthony, Bilodeau, Brandman, Dewane, Flory, Green, Nguyen, Sarmiento, Sheldon, Yoh

RESOLUTION NO. 17-1-1  
DETERMINING GROUNDWATER PRODUCED FROM  
CITY OF ORANGE WELL NO. 27 (WATER PRODUCING FACILITY NO. 42-11-5-D) IS  
UNSUITABLE FOR DOMESTIC OR AGRICULTURAL PURPOSES AND EXEMPTING  
WATER PRODUCED FROM SAID FACILITY FROM THE LEVY OF THE REPLENISHMENT  
ASSESSMENT AND BASIN EQUITY ASSESSMENT

WHEREAS, a verified petition has been filed with the Board of Directors of the Orange County Water District on behalf of the City of Orange requesting that approximately 954 acre-feet groundwater produced from its Water Producing Facility No. 42-11-5-D, Well No. 27, produced during the period July through October 2016, be exempted from the levy of the Replenishment and Basin Equity Assessments pursuant to Section 38.1 of the Orange County Water District Act; and

WHEREAS, the District has caused an investigation to be made for the purpose of determining whether the water produced by the subject facility is suitable or unsuitable for domestic or agricultural purposes and whether the production of water from the facility will have an adverse effect on the groundwater supplies of the District, and a report thereon has been filed with the Board of Directors; and

WHEREAS, the Board of Directors, upon the filing of such report, fixed January 18, 2017 as the time of said hearing and thereupon caused notice of the public hearing to be published as provided in Section 38.1 of said Act; and

WHEREAS, the notice as required by law has been given and a public hearing for the purpose of determining the need for exemption of water produced from said Water Producing Facility from levy of the Replenishment and Basin Equity Assessments has been held this 18th day of January 2017, and all persons have been permitted an opportunity to be heard respecting this matter.

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby resolve as follows:

Section 1: The Board of Directors finds and determines that up to 954 acre-feet of the water produced from Water Producing Facility No. 42-11-5-D owned by the City of Orange and located in the City of Orange, during the time period of July through October 2016, was unsuitable for domestic or agricultural purposes and caused no adverse effect on the basin water supplies.

Section 2: The production of up to 954 acre-feet of water from City of Orange from Water Producing Facility No. 42-11-5-D during the period from July to October 2016 is exempted from the levy of the Replenishment Assessment, the Additional Replenishment Assessment and the Basin Equity Assessment, as provided in the Orange County Water District Act.

CONSENT CALENDAR

The Consent Calendar was approved upon motion by Director Green, seconded by Director Anthony and unanimously carried [10-0] as follows:

Ayes: Anthony, Bilodeau, Brandman, Dewane, Flory, Green, Nguyen, Sarmiento, Sheldon, Yoh

2. Approval of Cash Disbursements

MOTION NO. 17-3  
APPROVING CASH DISBURSEMENTS

Payment of bills for the period December 29, 2016 through January 11, 2016 in the total amount of \$14,334,888.03 is ratified and approved.

3. Approval of Minutes of Board Meeting

MOTION NO. 17-4  
APPROVING MINUTES OF BOARD MEETINGS

The minutes of the Board of Directors meetings held December 7 and December 8, 2016 are approved as presented.

4. License Agreement with Mike Raahauge's Shooting Enterprises for Well Facilities

RESOLUTION NO. 17-1-2  
APPROVING LICENSE AGREEMENT WITH MIKE RAAHAUGE'S SHOOTING  
ENTERPRISES FOR WELL FACILITIES

RESOLVED, that issuance of a License Agreement to Mike Raahauge's Shooting Enterprises, Inc. is authorized for new Well Facilities to allow installation, and maintenance of one potable water well, one water treatment facility, one potable water storage tank, and one brine waste storage tank, and all appurtenances; and, upon approval as to form by District General Counsel, its execution by the District officers is authorized.

ITEM RECOMMENDED FOR APPROVAL AT COMMUNICATION AND LEGISLATIVE  
LIAISON COMMITTEE MEETING HELD JANUARY 5

5. State Legislative Update

MOTION NO. 17-5  
DIRECTING STAFF TO WORK WITH LEGISLATIVE ADVISORS TO SUBMIT SPOT BILLS

Staff is directed to work with legislative advisors to submit spot bills.

ITEMS RECOMMENDED FOR APPROVAL AT WATER ISSUES COMMITTEE MEETING  
HELD JANUARY 11

6. Contract No. SAR-2017-1, Five Coves Rubber Dam Replacement Project: Notice of Completion (Pascal & Ludwig)

RESOLUTION NO. 17-1-3  
ACCEPTING COMPLETION OF CONTRACT NO. SAR-2017-1, FIVE COVES RUBBER DAM  
REPLACEMENT PROJECT (PASCAL & LUDWIG CONSTRUCTORS, INC.)

WHEREAS, the District staff has submitted its report that Pascal & Ludwig Constructors, Inc. has completed work under Contract No. SAR-2017-1, Five Coves Rubber Dam Replacement Project; and

WHEREAS, staff has advised of issuance of Change Order No. 1 to Pascal & Ludwig Constructors, Inc. for a credit amount of \$14,000; and

WHEREAS, staff has recommended that the District accept completion of said work and that a Notice of Completion be filed for recordation and the balance of payment be made, pursuant to the terms and conditions of such contract;

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby resolve as follows:

Section 1: Issuance of Change Order No. 1 to such contract is hereby ratified and work under such contract is accepted as complete, and the District Secretary is authorized and directed to execute a Notice of Completion and record said Notice in the Office of the County Recorder.

Section 2: Upon expiration of the interim lien period, providing no liens have been filed, payment of the balance due under such contract shall be made.

7. Contract No. SAR-2014-1, Imperial Headgates and Weir Pond Rehabilitation – Amendment to Agreement with AKM Consulting Engineers

RESOLUTION NO. 17-1-4  
AUTHORIZING AMENDMENT TO AGREEMENT WITH AKM CONSULTING ENGINEERS  
FOR CONSTRUCTION MANAGEMENT SERVICES FOR CONTRACT  
NO. SAR-2014-1, IMPERIAL HEADGATES AND WEIR POND REHABILITATION

WHEREAS, pursuant to Resolution No. 14-11-151 adopted November 19, 2014, OCWD authorized award of the Imperial Headgates and Weir Pond Rehabilitation Project to Hydrotech Corporation and Agreement No. 1049 was issued to AKM Consulting Engineers for construction management services; and

WHEREAS, the Water Issues Committee has recommended issuance of Amendment No. 3 to AKM Consulting Engineers for an amount not to exceed \$9,540 for additional construction management and inspection services for such Project, Contract No. SAR-2014-1;

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby approve issuance of the aforementioned Amendment to Agreement No. 1049 as outlined herein; and upon approval as to form by District General Counsel, its execution by District staff is authorized.

8. Alamitos Seawater Barrier 2017-18 Operations and Maintenance Budget

MOTION NO. 17-6  
APPROVING ALAMITOS SEAWATER BARRIER 2017-18 O&M BUDGET

The Alamitos Barrier 2017-18 total Operations and Maintenance (O&M) budget in the amount of \$2,560,000 is hereby approved, and payment of the District's share not to exceed \$871,990 payable to the Los Angeles County Department of Public Works is authorized after receipt and review of invoices.

9. Metropolitan Water District Regional Recycled Water Program

MOTION NO. 17-7  
DIRECTING STAFF TO AGENDIZE THE RESOLUTION OF SUPPORT FOR THE METROPOLITAN WATER DISTRICT REGIONAL RECYCLED WATER PROGRAM AT THE WATER ISSUES COMMITTEE MEETING ON FEBRUARY 8, 2017 FOR REVIEW

Staff is directed to agendize the resolution of support for the Metropolitan Water District Regional Recycled Water Program at the Water Issues Committee meeting on February 8, 2017 for review.

ITEM RECOMMENDED FOR APPROVAL AT ADMINISTRATION AND FINANCE ISSUES COMMITTEE MEETING HELD JANUARY 12

10. Monthly Cash Control Report

MOTION NO. 17-8  
RECEIVING AND FILING SUMMARY CASH AND CASH EQUIVALENTS CONTROL REPORTS

The Summary Cash and Cash Equivalents Control Reports dated December 31, 2016 are hereby received and filed.

11. Investment Portfolio Holdings Reports

MOTION NO. 17-9  
RECEIVING AND FILING INVESTMENT PORTFOLIO HOLDINGS REPORTS

The Investment Portfolio Holdings Reports dated December 31, 2016 are hereby received and filed.

12. Extension of Employment Agreement for Assistant Hydrogeologist

RESOLUTION NO. 17-1-5  
APPROVING EMPLOYMENT CONTRACT WITH  
ASSISTANT HYDROGEOLOGIST BRENDAN NEEL

WHEREAS, pursuant to Resolution No. 16-1-5 adopted January 20, 2016, OCWD authorized a Limited Term Employment Contract with Assistant Hydrogeologist Brendan Neel for a one-year period; and

WHEREAS, the Administration and Finance Issues Committee has recommended extension of such contract for the six-month period ending June 30, 2017, and conversion of the position to regular status beginning July 1, 2017;

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby approve the aforementioned Agreement with Assistant Hydrogeologist Brendan Neel as outlined herein; and upon approval as to form by District General Counsel, its execution by the District officers is authorized.

13. Replenishment Assessment and Additional Replenishment Assessment

MOTION NO. 17-10  
DIRECTING GENERAL COUNSEL TO CONDUCT AN ANALYSIS AND PROVIDE  
OPTIONS REGARDING SETTING THE RA AND ARA

General Counsel is hereby directed to conduct an analysis and provide options to the Administration/Finance Issues Committee at its February meeting of the current methodology used by the District for setting the Replenishment Assessment (RA) and the Additional Replenishment Assessment (ARA).

14. BPP and RA Estimates for Fiscal Year 2017-18

MOTION NO. 17-11  
DIRECTING STAFF TO PROVIDE FISCAL YEAR 2017-18 RA/BPP ESTIMATES TO  
GROUNDWATER PRODUCERS

Staff is directed to provide the Fiscal Year 2017-18 Replenishment Assessment (RA) and Basin Production Percentage (BPP) estimates to the Groundwater Producers along with any additional Board comments as follows: Combined RA & Additional RA: \$440 to \$462/acre-foot; and Basin Production Percentage: 72% to 75%

## INFORMATIONAL ITEMS

15. Groundwater Remediation Monthly Status Update

Director of Special Projects Bill Hunt updated the Board on the District's Proposition 1 first round grant funding applications submitted for the North Basin RI/FS and EW-1 construction, and for the South Basin SB RI/FS. He noted the State Water Resources Control Board is still conducting its final review and the awards will be announced in February 2017. He stated staff is preparing a white paper exploring the possibility of Prop 1 funding of seawater barrier improvements.

Mr. Hunt advised that the District received a letter from the Appellate Court asking OCWD to expand on the District powers granted under the District Act. With regard to the South Basin, he stated staff hopes to go out to bid on the monitoring wells in February. Mr. Hunt advised that the Department of Toxic Substance Control has asked that OCWD not perform the remediation pilot study near Hotel Terrace Drive. Finally, with regard to MTBE, he stated the trial is about to begin in Santa Ana, and that the judge anticipates the trial will last only two weeks.

16. Water Resources Report

Mr. Markus noted that four inches of rain is expected within the next few days.

17. Santa Ana Watershed Project Authority Activities

Director Anthony noted that SAWPA has appointed new officers.

18. Committee/Conference/Meeting Reports

The Board reported on the following Committee meetings and noted the Minutes/Action Agendas were included in tonight's Board packet.

- Jan 05 - Communication and Legislative Liaison Committee
- Jan 09 - Groundwater Replenishment Property Management
- Jan 11 - Water Issues Committee
- Jan 12 - Administration and Finance Issues Committee

## 19. VERBAL REPORTS

President Bilodeau requested input from the Board with regard to Committee assignments. He requested that new Director Vanderbilt be added to the Committees upon which Jordan Brandman was serving. Director Brandman noted this would be his last meeting and thanked the Board and staff.

20. ADJOURNMENT TO CLOSED SESSION

The Board adjourned to Closed Session at 6:00 p.m. as follows:

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – [Government Code Section 54956.9(a)] – 2 cases:

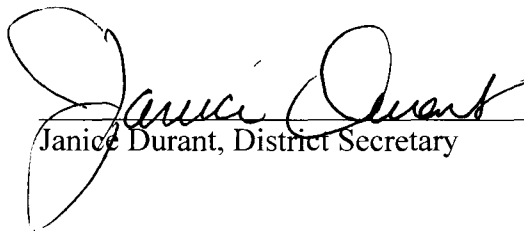
- 1) *Irvine Ranch Water District v. OCWD, et al.* - Superior Court Case No. 30-2016-00858584-CU-WM-CJC
- 2) *OCWD v. Unocal Corporation, et al* (MTBE Litigation) Superior Court Case No. 03CC00176

RECONVENE IN OPEN SESSION

The Board reconvened in Open Session at 6:57 p.m. whereupon General Counsel Kuperberg announced that no reportable action took place in Closed Session.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 6:57 p.m.

  
Janice Durant, District Secretary

  
Denis Bilodeau, President