

MINUTES OF REGULAR MEETING  
BOARD OF DIRECTORS, ORANGE COUNTY WATER DISTRICT  
October 3, 2018, 5:30 p.m.

President Bilodeau called to order the October 3, 2018 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

Denis Bilodeau  
Shawn Dewane  
Cathy Green  
Dina Nguyen (absent)  
Vicente Sarmiento (absent)  
Stephen Sheldon  
Tri Ta  
James Vanderbilt  
Bruce Whitaker  
Roger Yoh

Staff

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

VISITOR PARTICIPATION

Glenn Brooks advised of a Department of Energy Award of \$21 million to 14 different businesses to target solar energy technologies that could drive the cost of desalinated water down to \$615 per acre foot.

PUBLIC HEARING

President Bilodeau opened the Public Hearing to consider an exemption from the Replenishment Assessment (RA) and the Basin Equity Assessment (BEA) for Golden State Water Company Wilson Well No. 1 in the City of Placentia. Executive Director John Kennedy advised that Golden State Water Company (GSWC) has formally requested that OCWD waive the FY 2018-19 RA and BEA for temporary groundwater discharges from Wilson Well No. 1 that was initially constructed in May 2016, noting that construction of the well is requiring a significant amount of groundwater to be wasted and discharged to a near-by storm drain due to contaminants. He stated that OCWD waived the RA and BEA for this well for the two previous fiscal years for the same reason. Mr. Kennedy reported that staff has reviewed the information and believes the request meets the criteria for exemption of the FY 2018-19 RA and BEA as described in Section 38.1 of the District Act. There being no persons wishing to present testimony, President Bilodeau declared the hearing closed and the Board took the following action.

Upon motion by Director Yoh, seconded by Director Sheldon, the following resolution was unanimously adopted [8-0].

Ayes: Bilodeau, Dewane, Green, Sheldon, Ta, Vanderbilt, Whitaker, Yoh  
Absent: Nguyen, Sarmiento

**RESOLUTION NO. 18-10-131  
DETERMINING GROUNDWATER PRODUCED FROM GOLDEN STATE WATER  
COMPANY WILSON WELL NO. 1 IN THE CITY OF PLACENTIA  
(WATER PRODUCING FACILITY NO. 75-08-2-B) IS UNSUITABLE FOR DOMESTIC OR  
IRRIGATION PURPOSES AND EXEMPTING WATER PRODUCED FROM SAID  
FACILITY FROM THE LEVY OF THE REPLENISHMENT ASSESSMENT AND  
BASIN EQUITY ASSESSMENT IN FY 2018-19**

WHEREAS, a verified petition has been filed with the Board of Directors of the Orange County Water District on behalf of Golden State Water Company requesting that groundwater produced from its Water Producing Facility No. 75-08-2-B (Wilson Well No. 1), be exempted from the levy of the Fiscal Year 2018-19 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 irrigation 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 October 3, 2018 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 Assessment and Basin Equity Assessment has been held this 3<sup>rd</sup> day of October 2018, 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 the water produced from Water Producing Facility No. 75-08-2-B (Wilson Well No. 1) owned by Golden State Water Company and located in the City of Placentia, is unsuitable for domestic or irrigation purposes due to issues such as odor, high temperature, high pH and air entrainment, and that production of water from said facilities will have a beneficial effect upon the quality of the water supplies of the District.

Section 2: The production of water from Golden State Water Company Water Producing Facility No. 75-08-2-B is exempted from the levy of the Replenishment Assessment and Basin Equity Assessment in Fiscal Year 2018-19, as provided in the Orange County Water District Act.

## CONSENT CALENDAR

The Consent Calendar was approved upon motion by Director Green, seconded by Director Ta and carried [8-0] as follows:

Ayes: Bilodeau, Dewane, Green, Sheldon, Ta, Vanderbilt, Whitaker, Yoh

Absent: Nguyen, Sarmiento

### 2. Approval of Cash Disbursements

#### MOTION NO. 18-119 APPROVING CASH DISBURSEMENTS

Payment of bills for the period September 13, 2018 through September 26, 2018 in the total amount of \$8,421,846.59 is ratified and approved.

### 3. Approval of Minutes of Board Meeting

#### MOTION NO. 18-120 APPROVING MINUTES OF BOARD MEETING

The minutes of the Board of Directors meeting held September 5, 2018 are approved as presented.

### 4. Construction of an Additional Monitoring Well Pair Requested by EPA for North Basin Remedial Investigation, Contract No. GBM-2018-2

#### RESOLUTION NO. 18-10-132 AUTHORIZING CONSTRUCTION OF AN ADDITIONAL MONITORING WELL PAIR REQUESTED BY EPA FOR NORTH BASIN REMEDIAL INVESTIGATION, CONTRACT NO. GBM-2018-2 (BEKS ACQUISITION DBA BC2 ENVIRONMENTAL), AND AUTHORIZING FILING OF NOTICE OF EXEMPTION PURSUANT TO CEQA GUIDELINES

WHEREAS, pursuant to Resolution No. 18-6-70 adopted June 20, 2018, OCWD awarded Contract No. GBM-2018-2, North Basin Remedial Investigation Additional Monitoring Well Installation Project, to BEKS Acquisition dba BC2 Environmental; and

WHEREAS, the District staff has advised of issuance of Change Order No. 1 to such Contract in the amount of \$9,500 for additional noise panels and construction of a temporary handicapped parking space at recently installed monitoring well FM-19D; and

WHEREAS, staff has recommended issuance of Change Order No. 2 to such Contract in the amount of \$111,000 for the construction of an additional monitoring well pair requested by the Environmental Protection Agency, the lead oversight agency for the North Basin Remedial Investigation; and

WHEREAS, staff has further recommended increasing the capital project budget to \$2,135,154 for such Contract;

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

Section 1: Issuance of Change Orders No. 1 and 2 to such Contract as outlined herein are hereby ratified/approved.

Section 2: The revised capital project budget of \$2,135,154 for the North Basin North Basin Remedial Investigation monitoring wells construction is approved.

Section 3: Staff is directed to file a Notice of Exemption accordingly pursuant to the California Environmental Quality Act (CEQA) guidelines.

ITEMS RECOMMENDED FOR APPROVAL AT PROPERTY MANAGEMENT COMMITTEE MEETING HELD SEPTEMBER 28

5. Amendment to Fishing Concession Lease with Corona Recreation, Inc.

RESOLUTION NO. 18-10-133  
AUTHORIZING AMENDMENT SEVEN TO LEASE AGREEMENT WITH  
CORONA RECREATION, INC.

WHEREAS, pursuant to Resolution No. 06-9-123 adopted September 20, 2006, as subsequently amended, OCWD approved a Lease with Corona Recreation, Inc. for operation of a fishing concession at Warner Basin and Anaheim Lake; and

WHEREAS, the Property Management Committee of this Board has presented and recommended approval of Amendment Seven to such Lease removing the area for the parking of vehicles at Warner Basin by sublessee D.G. Performance Specialties;

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby approve Amendment Seven to the Lease with Corona Recreation, Inc. as described herein; and, upon approval as to form by District General Counsel, its execution by the District's officers is authorized.

6. Lease Assignment and Assumption Agreement of Dan Copp Crushing Corporation Lease to North American Recycling and Crushing, LLC

RESOLUTION NO. 18-10-134  
AUTHORIZING LEASE ASSIGNMENT AND ASSUMPTION AGREEMENT OF DAN  
COPP CRUSHING CORPORATION LEASE AT RICHFIELD ROAD IN ANAHEIM  
TO NORTH AMERICAN RECYCLING AND CRUSHING, LLC

WHEREAS, pursuant to Resolution No. 07-3-28 adopted March 7, 2007, as subsequently amended, OCWD authorized issuance of a 10-year lease to Dan Copp Crushing Corporation (DCC) for the operation of an asphalt/cement/recycling plant and equipment and material storage on an 8.2-acre parcel of District land at 1100 Richfield Road, Anaheim; and

WHEREAS, the appointed receiver of DCC's assets has advised that North American Recycling and Crushing, LLC, a Delaware limited liability company (North American) and subsidiary of Vulcan Materials Company (VMC), will be acquiring the assets of DCC, including the lease,

WHEREAS, pursuant to lease paragraph 9.3.2, DCC is requesting the District's written consent for the lease assignment; and

WHEREAS, the Property Management Committee of this Board has presented and recommended approval of the Lease Assignment and Assumption Agreement by and among OCWD, DCC, and North American Recycling and Crushing, LLC;

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby approve the Assignment of the DCC Lease to North American Recycling and Crushing, LLC, a subsidiary of Vulcan Materials Company, and upon approval as to form by General Counsel, its execution by the General Manager is authorized.

MATTER FOR CONSIDERATION

7. GWRS Final Expansion Project MF Membrane Demonstration Cell Purchase Order

GWRS program Manager Sandy Scott-Roberts explained that OCWD Research & Development staff began pilot testing microfiltration (MF) modules with the new water from OCSD Plant No. 2, stating that initial results from these pilot tests indicated that the existing GWRS MF Evoqua membrane modules may not perform as well with this new water quality. She advised that since the commission of the GWRS facility in 2008, there have been advances in MF membrane technology, noting that Polyvinylidene fluoride (PVDF) membranes have been increasing in popularity in the water treatment industry due to their resistance to chlorine, mechanical strength and high flux capabilities. She reviewed the results of the District's pilot studies to test various PVDF membranes and polypropylene membranes on current water quality and on the Plant No. 2 effluent and presented staff's recommendation to purchase 684 PVDF membranes from Evoqua. Director Dewane requested that staff investigate the potential sales tax savings of receiving purchased equipment in a city with lower California sales and use tax. It

was agreed to agenize this for discussion at the upcoming Administration and Finance Issues Committee meeting.

Upon motion by Director Dewane, seconded by Director Green, the following resolution was unanimously carried [8-0].

Ayes: Bilodeau, Dewane, Green, Sheldon, Ta, Vanderbilt, Whitaker, Yoh

Absent: Nguyen, Sarmiento

RESOLUTION NO. 18-10-135  
AUTHORIZING ISSUANCE OF PURCHASE ORDER TO EVOQUA FOR  
MICROFILTRATION MEMBRANES FOR THE GWRS FINAL EXPANSION PROJECT

RESOLVED, that issuance of a Purchase Order is authorized to Evoqua in the amount of \$529,569 for 684 microfiltration membranes required for the GWRS Final Expansion Project.

INFORMATIONAL ITEMS

8. GWRS Unit I Pipeline Rehabilitation Project Update

GWRS Program Manager Sandy Scott-Roberts provided an update on the GWRS Unit I Pipeline Rehabilitation Project.

9. Santa Ana Watershed Project Authority Activities

Director Whitaker provided a brief update on SAWPA activities.

10. Committee/Conference/Meeting Reports

The Board reported on the Property Management Committee meeting held September 28.

11. Verbal Reports

President Bilodeau reported that he and Mike Markus attended the OWOW meeting on September 27. Director Green reported on her attendance at the ACWA budget workshop and Board meeting on September 28.

PRESIDENT'S COMMITTEE AND OUTSIDE AGENCY APPOINTMENTS

President Bilodeau then distributed the revised Committee and Outside Agency Assignments that includes new Director Ta. He requested the creation of the Moulton Niguel Ad hoc Committee (composed of Directors Bilodeau, Dewane, and Green) on a temporary basis to discuss a potential storage agreement. He pointed out that no action by the Board is required for the President's appointments. The Board concurred with President Bilodeau's appointments.

Director Green reminded the Board of the ACWA Region 10 meeting on October 10, "Removing Barriers to Innovation in Water." She also reminded the Board to register for the ACWA Fall Conference at the San Diego Hyatt on November 27.

ADJOURNMENT TO CLOSED SESSION

The Board adjourned to Closed Session at 6:22 p.m. as follows:

CONFERENCE WITH REAL PROPERTY NEGOTIATOR

[Government Code Section 54956.8]

Real property located at: Parcels (4)

253-473-01 - 1200 S. Phoenix Club Drive, Anaheim, CA 92806

253-631-32 - 1200 S. Phoenix Club Drive, Anaheim, CA 92806

253-631-39 - 1200 S. Phoenix Club Drive, Anaheim, CA 92806

375-221-09 - 1200 S. Phoenix Club Drive, Anaheim, CA 92806

OCWD negotiator: Michael Markus

Negotiating party: Various Parties

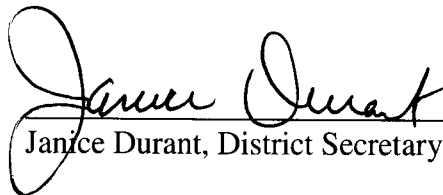
Under negotiation: Price and Terms


RECONVENE IN OPEN SESSION

The Board reconvened in Open Session at 6:45 p.m. whereupon General Counsel Kuperberg advised 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 6:45 p.m.

  
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Janice Durant, District Secretary

  
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Denis Bilodeau, President