

MINUTES OF REGULAR MEETING
BOARD OF DIRECTORS, ORANGE COUNTY WATER DISTRICT
October 4, 2017, 5:30 p.m.

President Bilodeau called to order the October 4, 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
Shawn Dewane
Cathy Green
Dina Nguyen
Vicente Sarmiento
Stephen Sheldon
James Vanderbilt (absent)
Bruce Whitaker
Roger Yoh

Staff

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

1. Public Hearing to Consider BEA Partial Exemption for Huntington Beach Well No. 9

President Bilodeau opened the Public Hearing to consider a partial exemption from the Basin Equity Assessment (BEA) for Huntington Beach Well No. 9 as the water contains hydrogen sulfide odors. Principal Engineer Sandy-Scott Roberts stated the City successfully piloted a Biological Activated Carbon (BAC) treatment system that reduced the hydrogen sulfide concentrations, and that capital costs to build the full-scale BAC treatment system are estimated at \$2.8 million. She stated the treatment project will allow the City to operate the well at its full capacity of approximately 3,000 acre-feet/year, and noted the program requires modifying the City's BEA which will be cost neutral to the District. There being no persons wishing to present further testimony, President Bilodeau closed the hearing and the Board took the following action.

Upon motion by Director Green, seconded by Director Anthony, the following resolution was unanimously adopted [9-0].

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

RESOLUTION NO. 17-10-123
DETERMINING GROUNDWATER PRODUCED FROM
CITY OF HUNTINGTON BEACH WELL NO. 9
(WATER PRODUCING FACILITY NO. 107-23-8-B) IS UNSUITABLE FOR DOMESTIC USE
AND PARTIALLY EXEMPTING WATER PRODUCED FROM SAID FACILITY FROM THE
LEVY OF THE 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 Huntington Beach requesting that groundwater produced from

its Water Producing Facility No. 107-23-8-B (Well No. 9), in excess of the Basin Production Percentage be partially exempted from the levy of the Basin Equity Assessment to offset the cost of treatment required to effectively utilize the unsuitable quality water in accordance with the terms of the BEA Partial Exemption Program Agreement between OCWD and Huntington Beach (entered into pursuant to Resolution No. 16-6-78 adopted June 15, 2016) and 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 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 4, 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 Basin Equity Assessment has been held this 4th day of October 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 the water produced from Water Producing Facility No. 107-23-8-B (Well No. 9) owned by the City of Huntington Beach and located in the City of Huntington Beach, is unsuitable for domestic purposes due to high sulfur concentrations, 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 City of Huntington Beach from Water Producing Facility No. 107-23-8-B is partially exempted from the levy of the Basin Equity Assessment, as provided in the Orange County Water District Act.

Section 3: The Basin Equity Assessment (BEA) for the City of Huntington Beach is increased from \$485 to \$550 for fiscal year 2017-2018.

Section 4: Filing of a Notice of Exemption is authorized in accordance with California Environmental Quality Act guidelines Section 15301.

VISITOR PARTICIPATION

There were no visitors wishing to address the Board at tonight's meeting.

CONSENT CALENDAR

The Consent Calendar was approved upon motion by Director Anthony, seconded by Director Green and carried [9-0] follows:

Ayes: Anthony, Bilodeau, Dewane, Green, Nguyen, Sarmiento, Sheldon, Whitaker, Yoh

Absent: Vanderbilt

2. Approval of Cash Disbursements

MOTION NO. 17-136
APPROVING CASH DISBURSEMENTS

Payment of bills for the period September 14, 2017 through September 27, 2017 in the total amount of \$6,542,363.16 is ratified and approved.

3. Approval of Minutes of Board Meeting

MOTION NO. 17-137
APPROVING MINUTES OF BOARD MEETING

The minutes of the Board of Directors meeting held September 6, 2017 are approved as presented.

4. Ratification of Job Classification Addition

MOTION NO. 17-138
RATIFYING ADDITION OF NEW JOB CLASSIFICATION

The following job classification addition is hereby ratified: Laboratory Information System (LIMS) & Quality Assurance/Quality Control (QA/QC) Administrator at salary grade R-19.

5. Payment to Alcoa for North Basin Litigation Expenses

MOTION NO. 17-10-124
AUTHORIZING PAYMENT TO ALCOA GLOBAL FASTENERS FOR NORTH BASIN
LITIGATION EXPENSES

Payment in the amount of \$75,000 to Tatro Tekosky Sadwick LLP Client Trust Account (for Alcoa Global Fasteners) for litigation costs in regard to the OCWD vs. Northrop et al. litigation.

ITEMS RECOMMENDED FOR APPROVAL AT PROPERTY MANAGEMENT COMMITTEE MEETING HELD SEPTEMBER 22

6. Amendment to Fishing Concession Lease with Corona Recreation, Inc. and Consent to Parking Sublease with D. G. Performance Specialties, Inc. at Warner Basin

RESOLUTION NO. 17-10-125
AUTHORIZING AMENDMENT SIX TO LEASE AGREEMENT WITH CORONA RECREATION, INC. AND CONSENT TO PARKING SUBLEASE WITH D.G. PERFORMANCE SPECIALTIES, 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 Six to such Lease and Consent to Parking Sublease that amends the Lease Premises to reduce the number of parking spaces from 14 to 7 spaces at a new rent of \$250 per month;

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

7. Amendment to Water Well Lease with Yorba Linda Water District (YLWD) for YLWD Production Water Well No. 21

RESOLUTION NO. 17-10-126
APPROVING AMENDMENT TO LEASE AGREEMENT TO YLWD FOR PRODUCTION WATER WELL NO. 21

WHEREAS, pursuant to Resolution No. 12-12-144 adopted December 19, 2012, OCWD authorized issuance of a 50-year lease agreement with Yorba Linda Water District (YLWD) to construct a groundwater production well and appurtenant pipeline and drain pipe at Warner Basin including a construction and maintenance area for a term of 50 years ending on December 31, 2062; and

WHEREAS, the Property Management Committee of this Board has recommended Amendment Two to such Lease Agreement with YLWD to add Attachment 1, Well 21 Air Valve Exhibit to the existing Lease Agreement as Exhibit "E" to reflect the addition of the Air Valve placed above ground, in the existing Appurtenant Premises;

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby approve the aforementioned Amendment. Two to the Lease Agreement with YLWD as described herein; and, approval as to form by District General Counsel, its execution on behalf of the District by the District officers is authorized.

8. Amendment to Pheasant Hunting Lease with Elaine Raahauge dba Mike Raahauge's Shooting Enterprises at Prado Basin

RESOLUTION NO. 17-10-127
APPROVING AMENDMENT TWELVE TO PHEASANT HUNTING LEASE
WITH ELAINE RAAHAUGE DBA
MIKE RAAHAUGE'S SHOOTING ENTERPRISES

WHEREAS, pursuant to Resolution No. 05-11-126 adopted November 2, 2005, as subsequently amended, the OCWD Board authorized a Lease to Mike Raahauge d.b.a. Mike Raahauge's Shooting Enterprises for continued use of certain District Prado lands for operation of a pheasant hunting concession, game bird raising, hunter safety classes, dog kennel operation, and for non-exclusive use of the clubhouse and roads for one-year terms, subject to annual renewal by mutual written consent of both the Lessee and Lessor; and

WHEREAS, pursuant to Resolution No. 13-10-128 adopted October 2, 2013, the OCWD Board approved the change of Lessee name to Elaine Raahauge d.b.a. Mike Raahauge's Shooting Enterprises; and

WHEREAS, the Property Management Committee of this Board has presented and recommended approval of Amendment Twelve to such Lease with Elaine Raahauge d.b.a. Mike Raahauge's Shooting Enterprises providing for a one-year extension of the Lease through September 30, 2018, with the condition that shooting will not be allowed in the Lease Premises and that rent will be \$250 per month; with all other terms and conditions to remain the same;

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby approve the aforementioned Amendment Twelve to Lease with Elaine Raahauge d.b.a. Mike Raahauge's Shooting Enterprises as outlined herein; and, upon approval as to form by District General Counsel, it's execution by the District officers is authorized.

9. Proposal by Riverside County Parks and Open-Space District for Land Exchange at Prado for Santa Ana River Trail (SART) Easements

MOTION NO. 17-139
AUTHORIZING GENERAL MANAGER TO NEGOTIATE TERMS AND CONDITIONS OF
LAND EXCHANGE WITH RIVERSIDE COUNTY PARKS AND
ARMY CORPS OF ENGINEERS

The General Manager or his designee is authorized to negotiate the terms and conditions of a land rights acquisition with Riverside County Parks and the Army Corps of Engineers in exchange for the District granting a trail easement in Prado Basin to Riverside County Parks for development of the Santa Ana River Trail; and an amount not to exceed \$15,000 is authorized for conducting an Appraisal, Preliminary Title Report and Phase One Environmental on parcel APN 130-040-006 being offered in fee to the District.

INFORMATIONAL ITEMS

10. Groundwater Remediation Monthly Status Update

Director of Special Projects William Hunt provided the monthly Groundwater Remediation Status Update. North Basin: California Supreme Court denied Northrop's petition for review, the remittitur has been issued, and jurisdiction being returned to the trial court. South Basin: Defendants filed four petitions to the California Supreme Court to review appellate verdicts, the District filed its Answers to those Petitions and defendants will soon be filing their reply briefs. The Supreme Court will then have 60 days to either grant or deny their petitions, if denied, the remitter returning jurisdiction to the trial court is likely to occur in January 2018.

11. Santa Ana Watershed Project Authority Activities

Director Anthony advised that the new SAWPA General Manager Rich Haller assumed office.

12. Committee/Conference/Meeting Reports

The Board reported on the September 22 Property Management Committee meeting.

13. Verbal Reports

General Manager Markus stated that Principal Engineer Sandy Scott-Roberts traveled to Bakersfield to give a Tech Talk on recycled water. He also noted that Golden State Water Company had forwarded a petition for exemption from the RA/BEA for its Wilson Well No. 1 and that staff would bring this before the Board next month.

Director Green reported she attended the ACWA budget workshop and Board meeting last week and noted that OCWD's dues will be increasing.

Director Dewane introduced new Mesa Water District Director Marice DePasquale.

14. ADJOURNMENT TO CLOSED SESSION

The Board adjourned to Closed Session at 6:04 p.m. as follows:

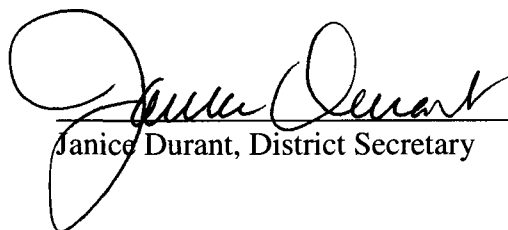
- CONFERENCE WITH REAL PROPERTY NEGOTIATOR
 [Government Code Section 54956.8]
 Real property located at: Parcels (3)
 253-473-01 - 1200 S. Phoenix Club Drive, Anaheim, CA 92806
 253-631-32 - 1200 S. Phoenix Club Drive, Anaheim, CA 92806
 253-631-39 - 1200 S. Phoenix Club Drive, Anaheim, CA 92806
 OCWD negotiator: Michael Markus
 Negotiating party: Various Parties
 Under negotiation: Price and Terms

RECONVENE IN OPEN SESSION

The Board reconvened in Open Session at 6:50 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 6:50 p.m.



Janice Durant, District Secretary



Denis Bilodeau, President