

MINUTES OF MEETING
BOARD OF DIRECTORS, ORANGE COUNTY WATER DISTRICT
November 6, 2019, 5:30 p.m.

President Sarmiento called to order the November 6, 2019 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 Secretary called the roll and reported a quorum as follows.

Directors

Denis Bilodeau
Jordan Brandman
Cathy Green
Dina Nguyen (absent)
Kelly Rowe
Vicente Sarmiento
Stephen Sheldon
Tri Ta
Roger Yoh (arrived 5:45 p.m.)
Ahmad Zahra

Staff

Michael R. Markus, General Manager
Jeremy Jungeis, General Counsel
Janice Durant, District Secretary

EMPLOYEE OF THE QUARTER AWARD

The Board presented the Employee of the Quarter Award to Laboratory Information Maintenance Systems and Quality Assurance/Quality Control Administrator Daniel Salas.

VISITOR PARTICIPATION

Glen Brooks addressed the Board regarding the use of granulated activated carbon for PFAS remediation.

CONSENT CALENDAR

The Consent Calendar was approved upon motion by Director Green, seconded by Director Zahra and carried [8-0] as follows, with the following abstention by Director Brandman on Item No. 1, *Cash Disbursements*.

- Southern California Gas Company* due to the Levine Act;
- Orange County Conservation Corps*, due to current business relationship
- Butier Engineering* due to a prior business relationship,
- Sage Crest Planning* due to the Levine Act, and
- West Coast Arborists*, due to the Levine Act

Ayes: Bilodeau, Brandman, Green, Rowe, Sarmiento, Sheldon, Ta, Zahra
Abstain: Brandman: partial abstention on Item No. 1
Absent: Nguyen, Yoh

1. Approval of Cash Disbursements

MOTION NO. 19-136
APPROVING CASH DISBURSEMENTS

Payment of bills for the period October 10, 2019 through October 30, 2019 in the total amount of \$5,356,649.49 is ratified and approved.

2. Approval of Minutes of Board Meeting

MOTION NO. 19-137
APPROVING MINUTES OF BOARD MEETINGS

The minutes of the Board of Directors meetings held September 18 and October 2 are approved as presented.

3. Order 2018-19 Annual Engineer's Investigation and Report on Groundwater Conditions, Water Supply and Basin Utilization

RESOLUTION NO. 19-11-157
ORDERING ANNUAL ENGINEERING INVESTIGATION AND REPORT ON
GROUNDWATER CONDITIONS, WATER SUPPLY, AND BASIN UTILIZATION

WHEREAS, Section 25 and Section 31.5, subparagraph (1), of the Orange County Water District Act, as amended, provide that the District shall annually order an investigation and report to be made by an engineer or engineers employed by said District, for the purpose of investigating and reporting on groundwater conditions of said District, and for the purpose of ascertaining information relative to water use, water availability, and water costs as set forth in said District Act;

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

Section 1: The engineers of the District staff are instructed to proceed with said investigation and report on groundwater conditions for the water year 2018-19, in accordance with Section 25 of the amended Orange County Water District Act, for consideration of the Board in the levy of the replenishment assessment for 2020-21; and to proceed with said investigation and report on water supply and basin utilization, in accordance with said Section 31.5 of the amended District Act, for the consideration of the Board in the levy of a basin equity assessment for 2020-21.

Section 2: The engineers of the District staff are instructed to deliver the completed report in writing to the General Manager of this District on the second Wednesday in February 2020 as provided in said Act.

ITEMS RECOMMENDED FOR APPROVAL AT RETIREMENT COMMITTEE MEETING
HELD OCTOBER 22

4. 457(b) Deferred Compensation Plan Investment Line-Up Review and 401(a) Red Flag Fund Review

MOTION NO. 19-138

APPROVING ACTIONS IN CONNECTION WITH 457(B) DEFERRED COMPENSATION
PLAN INVESTMENT FUND LINE-UP REVIEW, AND RECEIVING AND FILING
RETIREMENT PLAN INVESTMENT PORTFOLIOS

The following actions in connection with the 457(b) Deferred Compensation Plan investment funds are hereby approved, and the 401(a) Money Purchase Retirement Plan and the 457(b) Deferred Compensation Plan investment portfolios are hereby received and filed.

| INVESTMENT FUNDS | SYMBOL | ACTION |
|-------------------------------------------|--------|-------------------------|
| 457 (B) Portfolio | | |
| Goldman Sachs Intl Eq Insghts Instl | GCIIX | Red Flag |
| T. Rowe Price New America Growth I | PNAIX | No Action |
| Goldman Sachs Large Cap Gr Insights Instl | GCGIX | Red Flag |
| Eaton Vance High Income Opportunities A | ETHIX | Remove and map to PHYGX |

5. Amendment to 401(A) and 457(B) Plan Service Agreements with Wells Fargo Advisors

RESOLUTION NO. 19-11-158

APPROVING AMENDMENTS TO SERVICE AGREEMENTS WITH WELLS FARGO
ADVISORS FOR THE 401(A) AND 457(B) PLANS

RESOLVED, that Amendments to the Service Agreements with Wells Fargo Advisors for both the 401(a) Money Purchase Plan and the 457(b) Deferred Compensation Plan are authorized providing for a decrease in fees from 8.5 basis points to 8 basis points effective January 1, 2020; and, upon approval as to form by District General Counsel, execution of such Service Agreements by the District staff is authorized.

6. 457(B) Deferred Compensation Amended Plan Document and Adoption Agreement

RESOLUTION NO. 19-11-159

ADOPTING AMENDED PRUDENTIAL RETIREMENT SPECIMEN GOVERNMENTAL
457(B) PLAN DOCUMENT AND ADOPTION AGREEMENT

WHEREAS, pursuant to Resolution No. 11-4-52 adopted April 6, 2011, as subsequently amended, OCWD approved the Prudential Retirement Specimen Governmental 457(B) Plan Document and Adoption Agreement; and

WHEREAS, the Retirement Committee has presented and recommended approval of an updated Specimen Governmental 457(b) Plan Document and Adoption Agreement which provides for inclusion of a Roth IRA option for participants;

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby approve and adopt the new Prudential Retirement Specimen Governmental 457(b) Plan Document and Adoption Agreement effective January 1, 2020 as outlined herein; and upon approval as to form by District General Counsel, its execution by the District officers is authorized.

INFORMATIONAL ITEMS

7. Update on Research & Development Activities

Director of Research and Development Megan Plumlee updated the Board on ongoing applied research by the District to evaluate a number of potable reuse and groundwater recharge related topics which include 1) development of a pilot-scale system to evaluate removal of PFAS (per- and polyfluoroalkyl substances) from groundwater using granular activated carbon (GAC), ion exchange (IX), and novel adsorbents, 2) recent completion of a study funded by The Water Research Foundation (WRF) on the optimization of post-treatment water stabilization during advanced treatment for potable reuse, and 3) an ongoing sampling program to evaluate virus removal at the Orange County Sanitation District (OCSD)'s two wastewater treatment plants toward demonstrating additional log removal values (LRVs) for credit for virus removal for GWRS.

8. Santa Ana Watershed Project Authority Activities

Director Bilodeau updated the Board on recent SAWPA activities.

9. Committee/Conference/Meeting Reports

The Board reported on attendance at the following Committee meetings, noting the Action Agendas were included in tonight's Board packet.

October 14 - GWRS Steering Committee
October 22 - Retirement Committee

10. Verbal Reports

Director Zahra reported on his attendance at the recent Groundwater Adventure Tour and the MWD Colorado River Tour. Director Rowe reported on his attendance at the recent Southern California Water Coalition dinner in Long Beach. Directors Brandman, Rowe, and Ta reported on their attendance at the Clarke Prize dinner on October 19. President Sarmiento reported that he and Directors Brandman and Rowe attended the City of Santa Ana 100th Anniversary celebration. Director Bilodeau and General Manager Markus reported on their attendance at the World Water-Tech North American Summit in Los Angeles on October 27-28. General Manager Markus advised that he attended the Association of Metropolitan Water Agencies Executive Management

Conference in Newport, Rhode Island and that OCWD was awarded the Gold Award for Exceptional Utility Performance.

General Manager Markus reported on cancellation of the following meetings due to the upcoming Fall ACWA Conference: December 4 Board of Directors meeting, December 5 Communication and Legislative Liaison Committee meeting.

RECESS TO CLOSED SESSION

CONFERENCE WITH REAL PROPERTY NEGOTIATORS [Government Code Section 54956.8]

Real property located at: 3255 E. Miraloma Avenue, Anaheim, CA 92806 (APN 345-061-06)

OCWD negotiators: Michael Markus

Negotiating parties: David Wabiszewski

Under negotiation: Price and terms

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – [Government Code Section 54956.9(a)] – One case

OCWD v. Sabic Innovative plastics, LLC, et al (South Basin Litigation) Superior Court Case No. 03CC 00078246

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION - INITIATION OF LITIGATION [Government Code Section 54956.9(d)(4): Two potential cases

RECONVENE IN OPEN SESSION

The Board reconvened in Open Session whereupon General Counsel Jungreis announced that the Board, by a vote of 8-0, took the following action in Closed Session.

CS-19-11-1

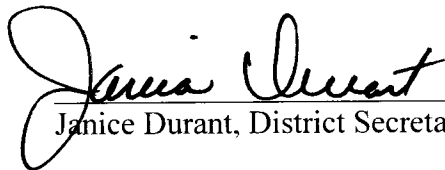
APPROVING SETTLEMENT AGREEMENT WITH ONE OF THE DEFENDANTS IN THE OCWD V. SABIC PLASTICS EXISTING LITIGATION, EMBEE INC., A CALIFORNIA CORPORATION, DBA EMBEE PROCESSING, FOR \$2.5 MILLION SUBJECT TO GOOD FAITH DETERMINATION BY THE TRIAL COURT, WITH THE \$2.5 MILLION TO BE USED FOR CENTRAL AREA REMEDIATION NEAR THE EMBEE PROPERTY

Ayes: Bilodeau, Brandman, Green, Rowe, Sarmiento, Sheldon, Yoh, Zahra

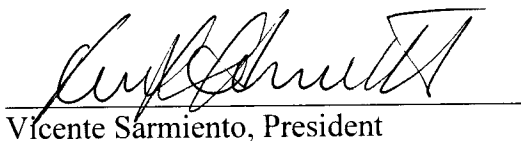
Absent: Nguyen, Ta

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 7:38 p.m.



Janice Durant, District Secretary



Vicente Sarmiento, President