

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

President Bilodeau called to order the December 5, 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 (arrived 5:49 p.m.)  
Vicente Sarmiento  
Stephen Sheldon  
Tri Ta  
James Vanderbilt  
Bruce Whitaker  
Roger Yoh (arrived 5:49 p.m.)

Staff

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

1. Employee Service Awards

The Board presented the following service awards: 30 years: Michael Markus, Roy Herndon, Tim Sovich, Donna Pike; 20 years: Laura Liang

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 Green, seconded by Director Sarmiento and carried [8-0] as follows:

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

Absent: Nguyen, Yoh

2. Approval of Cash Disbursements

MOTION NO. 18-130  
APPROVING CASH DISBURSEMENTS

Payment of bills for the period November 1, 2018 through November 28, 2018 in the total amount of \$12,280,107.39 is ratified and approved.

3. Approval of Minutes of Board Meeting

MOTION NO. 18-131  
APPROVING MINUTES OF BOARD MEETING

The minutes of the Board of Directors meetings held October 17 and November 7, 2018 are approved as presented.

4. Resolution Honoring Tim Quinn upon the Occasion of His Retirement from ACWA

RESOLUTION NO. 18-12-162  
IN HONOR OF THE RETIREMENT OF TIMOTHY (TIM) H. QUINN AND HIS  
SIGNIFICANT CONTRIBUTIONS TO CALIFORNIA'S WATER

WHEREAS, Timothy (Tim) H. Quinn, who for the past 11 years has led the Association of California Water Agencies (ACWA) with distinction and honor as its Executive Director, is retiring at the end of 2018; and

WHEREAS, he rallied ACWA member agencies to oppose any new tax on water that was proposed by the 2018 California Legislature, which resulted in a stop to all the various efforts for a new tax on water. Tim visited numerous member agencies to educate them on the importance of opposing a tax on water and ensured ACWA provided action alerts to member agencies; and

WHEREAS, Tim successfully oversaw and coordinated ACWA's leadership within the water community during a severe drought period, substantially assisting ACWA members through unprecedented environmental, logistical and regulatory challenges; and his outstanding work in directing ACWA initiatives on drought preparedness and long-term conservation policy have further established ACWA's place as a leading voice in California water; and

WHEREAS, he played a critical role in raising public awareness of the nexus between drought response and water infrastructure investment, which was a key factor in the passage of Proposition 1, overwhelmingly approved by California voters in 2014. He also advocated for passage of Proposition 68 and Proposition 3; and

WHEREAS, Tim led efforts to develop ACWA groundwater policy, which provided the template for the Sustainable Groundwater Management Act, which is widely acknowledged as a significant milestone in California water history; and

WHEREAS, during his career at ACWA, Tim led efforts to raise \$6 million and implement the "California Water: A Crisis We Can't Ignore" educational campaign, which contributed greatly to enhanced public awareness of the urgent need to address California's unique water challenges; and

WHEREAS, Tim helped negotiate the 2009 legislation that adopted the policy of coequal goals as a foundational policy principle of Bay-Delta collaborative efforts and set first-ever conservation standards. His leadership in this area continued when he spearheaded the development of ACWA's Bay-Delta flows policy, which emphasizes the essential need for comprehensive, integrated ecosystem management plans that link flows to specific functions and biological objectives; and

WHEREAS, he led development of ACWA's Statewide Water Action Plan and helped trigger development of the California Water Action Plan, which was adopted by the Brown Administration in 2014 and continues to guide statewide water policy; and

WHEREAS, he is a recognized and accomplished water leader in California and the nation through his participation and leadership with multiple nonprofit organizations and coalitions within the water community, including the Water Education Foundation, National Water Resources Association, California Forest Watershed Alliance, Public Policy Institute of California, and Clean Water and Jobs for California;

NOW, THEREFORE, BE IT RESOLVED that the Orange County Water District, commends and congratulates Tim Quinn on his extraordinary accomplishments and distinguished career and extends appreciation for his many and significant contributions to the water industry and to the people of California. The Orange County Water District extends its best wishes to Tim and his wife Vivien for a happy, rewarding, meaningful and well-deserved retirement.

ITEMS RECOMMENDED FOR APPROVAL AT COMMUNICATION AND LEGISLATIVE LIAISON COMMITTEE MEETING HELD NOVEMBER 8, 2018

5. 50<sup>th</sup> Anniversary of The Santa Ana River Judgments

MOTION NO. 18-132

APPROVING EVENT TO COMMEMORATE 50<sup>TH</sup> ANNIVERSARY OF 1969 ORANGE COUNTY AND WESTERN-SAN BERNARDINO JUDGMENTS

The following action in connection with commemoration of the 50<sup>th</sup> Anniversary of the 1969 Orange County and Western-San Bernardino Judgments is hereby authorized: Approval of up to \$8,000 to co-host an event with the Santa Ana River Watermasters and create a booklet, video and pin.

ITEMS RECOMMENDED FOR APPROVAL AT WATER ISSUES COMMITTEE MEETING  
HELD NOVEMBER 14, 2018

6. Alamitos Barrier Project: Revised Recycled Water Service Agreement with the Los Angeles County Department of Public Works and Water Replenishment District

RESOLUTION NO. 18-12-163

APPROVING REVISED RECYCLED WATER SERVICE AGREEMENT WITH LOS ANGELES COUNTY FLOOD CONTROL DISTRICT AND WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA

WHEREAS, pursuant to Resolution No. 03-6-84 adopted June 18, 2003, as subsequently amended, OCWD entered into an Agreement with the Water Replenishment District of Southern California, and the Los Angeles County Flood Control District Regarding Reclaimed Water Service to the Alamitos Barrier Project to reduce the Barrier's reliance on imported water;

WHEREAS, the Water Issues Committee of this Board has presented and recommended approval of a revised 10-year Agreement which replaces the above-referenced agreement and redefines the rights and responsibilities for each of the three agencies responsible for the operation of the Alamitos Seawater Barrier;

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

7. Establish Project Budget for Santiago Floating Pipeline Anchor Modifications Project

MOTION NO. 18-133

ESTABLISHING PROJECT BUDGET FOR SANTIAGO FLOATING PIPELINE ANCHOR MODIFICATIONS PROJECT

A Project Budget of \$30,000 is hereby established for the Santiago Floating Pipeline Anchor Modifications Project.

8. Amendment to License Agreement with Santa Ana Watershed Association for Arundo Removal on District Lands in Prado Basin

RESOLUTION NO. 18-12-164

AMENDMENT TO LICENSE AGREEMENT WITH SANTA ANA WATERSHED ASSOCIATION FOR ARUNDO REMOVAL ON DISTRICT LANDS IN PRADO BASIN

WHEREAS, pursuant to Resolution No. 13-7-87 adopted July 24, 2013, OCWD entered into a License Agreement with the Santa Ana Watershed Association (SAWA) for removal of Arundo on OCWD Property in Prado Basin; and

WHEREAS, the Water Issues Committee of this Board has presented and recommended approval of Amendment No. 1 to such License Agreement reducing the acreage for Arundo removal from 212 acres to 100 acres and extending the Agreement termination date through December 31, 2023; and

WHEREAS, the Water Issues committee has further recommended establishment of the OCWD Arundo Re-Growth Control Fund with a maximum fund amount not to exceed \$750,000; and

WHEREAS, the Water Issues Committee has further recommended the transfer of funds received from SAWA for control of Arundo on District lands, up to a maximum of \$750,000, into OCWD Arundo Re-Growth Control Fund;

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

Section 1: Amendment No. 1 to the License Agreement with SAWA is approved as described herein; and, upon approval as to form by District General Counsel, it's execution by the District officers is authorized.

Section 2: Establishment of the OCWD Arundo Re-Growth Control Fund is authorized with a maximum fund amount not to exceed \$750,000.

Section 3: Transfer of funds received from SAWA for control of Arundo on District lands, up to a maximum of \$750,000, into OCWD Arundo Re-Growth Control Fund is authorized.

9. Extension of Agreements to Habitat West and the Santa Ana Watershed Association (SAWA) for On-Call Restoration Planting and Maintenance in Prado Basin

RESOLUTION NO. 18-12-165  
EXTENDING AGREEMENTS TO HABITAT WEST AND SANTA ANA WATERSHED  
ASSOCIATION (SAWA) FOR ON-CALL RESTORATION PLANTING AND  
MAINTENANCE IN PRADO BASIN

WHEREAS, pursuant to Resolution No. 15-11-180 adopted November 18, 2015, OCWD authorized Agreement No. 1125 with Habitat West and Agreement No. 1126 with the Santa Ana Watershed Association for restoration planting and maintenance in Prado Basin as part of the District's Prado Basin Water Conservation Program and wetlands operations; and

WHEREAS, the Water Issues Committee of this Board has recommended issuance of Amendment No. 1 to Agreement No. 1125 with Habitat West and Amendment No. 1 to Agreement No. 1126 with the Santa Ana Watershed Association for an amount not to exceed \$180,000 for a three-year period with a \$60,000 annual limit for hourly work associated with planting, irrigation systems and weed management in Prado Basin through December 31, 2021;

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby approve the aforementioned amendments as outlined herein; and, upon approval as to form by District General Counsel, it's execution by the District officers is authorized.

10. Contract No. GA-2019-1, 2018 Green Acres Project (Gap) Pipeline Valve Repairs Project-Notice Inviting Bids

MOTION NO. 18-134

AUTHORIZING PUBLICATION OF NOTICE INVITING BIDS FOR CONTRACT NO. GA-2019-1, 2018 GREEN ACRES PROJECT (GAP) PIPELINE VALVE REPAIRS PROJECT-NOTICE INVITING BIDS

Publication of a Notice Inviting Bids for Contract No. GA-2019-1, 2018 Green Acres Project (GAP) Pipeline Valve Repairs Project, is hereby authorized.

11. Amendment to Cost Share Agreement for Santa Ana River Conservation and Conjunctive Use Program (SARCCUP) Environmental Impact Report

RESOLUTION NO. 18-12-166

APPROVING AMENDMENT TO COST SHARE AGREEMENT FOR SANTA ANA RIVER CONSERVATION AND CONJUNCTIVE USE PROGRAM (SARCCUP) ENVIRONMENTAL IMPACT REPORT

WHEREAS, pursuant to Resolution No. 17-4-55 adopted April 19, 1977, OCWD approved the SARCCUP Cost Share for Program Management; and

WHEREAS, the Water Issues Committee of this Board has presented and recommended approval of an amendment to such Cost Share Letter Agreement for the SARCCUP Environmental Impact Report to increase OCWD's share by \$26,920;

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby approve the Amendment to Cost Share Letter Agreement for the SARCCUP Environmental Impact Report as outlined herein; and, upon approval as to form by District General Counsel, it's execution by the District officers is authorized, and authorize payment to the Inland Empire Utilities Agency for an amount not to exceed \$26,920 is authorized.

ITEMS RECOMMENDED FOR APPROVAL AT ADMINISTRATION AND FINANCE  
ISSUES COMMITTEE HELD NOVEMBER 15, 2018

12. Monthly Cash Control Report

MOTION NO. 18-135  
RECEIVING AND FILING THE SUMMARY CASH AND CASH EQUIVALENTS  
CONTROL REPORTS

Receive and file Summary Cash and Cash Equivalents Control Reports dated October 31, 2018.

13. Investment Portfolio Holdings Report

MOTION NO. 18-136  
RECEIVING AND FILING THE INVESTMENT PORTFOLIO HOLDINGS REPORTS

Receive and file the Investment Portfolio Holdings Reports dated October 31, 2018.

14. District Travel / Expense Reports – FY 2017–18

MOTION NO. 18-137  
RECEIVING AND FILING FY 2017-18 DISTRICT TRAVEL/EXPENSE REPORTS

The District Travel and Expense reports for FY 2017-18 are hereby received and filed.

15. Purchase of Shade System at Prado Office

RESOLUTION NO. 18-12-167  
RATIFYING PURCHASE OF SHADE SYSTEM AT PRADO OFFICE

RESOLVED, that issuance of a Purchase Order is ratified to Exclusive Awnings for the purchase of a shade system in an amount not to exceed \$10,400 for the OCWD Prado Office.

16. Statement of Investment Policy FY 2018-19

RESOLUTION NO. 18-12-168  
ADOPTING STATEMENT OF INVESTMENT POLICY FY 2018-19

The Statement of Investment Policy for Fiscal Year 2018-2019, on file at the District office, is hereby adopted as presented.

17. Biennial Review of OCWD Conflict of Interest Code

RESOLUTION NO. 18-12-169  
ADOPTING AMENDED APPENDIX A (DESIGNATED FILERS) TO  
CONFLICT OF INTEREST CODE

WHEREAS, pursuant to Resolution No. 09-11-163 adopted November 4, 2009, the Orange County Water District adopted its Conflict of Interest Code conforming to the Political Reform Act, composed of the following three documents: 1) Conflict of Interest Code, 2) Appendix A, Designated Filers; and 3) Appendix B, Disclosure Categories; and

WHEREAS, the Political Reform Act requires local government to review its Conflict of Interest Code biennially to determine its accuracy; and

WHEREAS, the Administration and Finance Issues Committee of this Board has reviewed the OCWD Conflict of Interest Code and appendices thereto and has recommended adoption of an amended Appendix "A" to the OCWD Conflict of Interest Code to reflect appropriate staff assignments;

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

Section 1: The OCWD Conflict of Interest Code Appendix A, Designated Filers, is amended as described herein and is hereby incorporated in and made a part of the OCWD Conflict of Interest Code, replacing the previous Appendix A.

Section 2: The District Secretary is hereby instructed to forward such amended Conflict of Interest Code and revised Appendix A to the Orange County Board of Supervisors for review and approval as required by California Government Code Section 87303.

18. Single Audit Report for Fiscal Year Ended June 30, 2018

MOTION NO. 18-138  
RECEIVING AND FILING SINGLE AUDIT REPORT PREPARED BY WHITE  
NELSON DIEHL EVANS, LLP

The Single Audit Report prepared by White Nelson Diehl Evans, LLP for the period ended June 30, 2018 is received and filed.



19. Amendment to Agreement with American Water Chemicals, Inc., for Purchase of RO Antiscalants in GWRS Reverse Osmosis (RO) Treatment Facility

RESOLUTION NO. 18-12-170  
AUTHORIZING AMENDMENT TO AGREEMENT WITH AMERICAN WATER  
CHEMICALS, INC. FOR PURCHASE OF REVERSE OSMOSIS (RO)  
ANTISCALANTS IN GWRS REVERSE OSMOSIS (RO) TREATMENT FACILITY

WHEREAS, pursuant to Resolution No. 16-4-49 adopted April 20, 2016, OCWD authorized issuance of Agreement No. 1279 with American Water Chemicals, Inc. for GWRS Reverse Osmosis antiscalent;

WHEREAS, the Administration and Finance Issue Committee has recommended issuance of an Amendment for the continued supply and delivery of antiscalant for a period of two-years at a price of \$0.869/lb;

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby approve the aforementioned Amendment to Agreement No. 1279 as outlined herein; and, upon approval as to form by District General Counsel, its execution by the District officers is authorized.

20. Demand Response Participation

RESOLUTION NO. 18-12-171  
APPROVING AGREEMENT WITH ENEL X FOR DEMAND RESPONSE PARTICIPATION

RESOLVED, that the General Manager is authorized to finalize and execute a three-year renewal agreement with Enel X (formerly EnerNoc) extending the contract for the period January 1, 2019 through December 31, 2021, for a firm service level of 5,048 kilowatts for the GWRS.

21. Budget to Actual Report for First Quarter FY 2018-19

MOTION NO. 18-139  
RECEIVING AND FILING BUDGET TO ACTUAL REPORT FOR FIRST QUARTER  
OF FY 2018-19

The Budget to Actual Report for First Quarter of Fiscal Year 2018-19 ending September 30, 2018 is hereby received and filed.

Directors Nguyen and Yoh arrived at 5:49 p.m. during discussion of the following item.

## MATTER FOR CONSIDERATION

22. Sale of Ball Road Basin Property to North Basin Land, LLC (H&S Ventures, LLC)

Executive Director John Kennedy presented the Purchase and Sales Agreement with North Basin Land, LLC (H&S Ventures, LLC) for the purchase of the Ball Road Basin property for a price of \$24 million. He stated the PSA includes a \$500,000 Initial Earnest Money Deposit which is due within 5 calendar days of execution of the PSA and is non-refundable upon North Basin's approval of title and hazardous materials contingencies prior to the expiration of the Contingency Period; and a \$1.5 million additional non-refundable deposit within one business day of the expiration of the Contingency Period. Mr. Kennedy explained that the Contingency Period is to last 60 days, however not to go beyond December 31, 2018, as North Basin has already been conducting due diligence activities on the Property. He advised that close of escrow is on or before 30 days after the expiration of the Contingency Period, however no later than January 31, 2019. It was noted that the General Manager would be out of town when the documents arrive for execution and the Board requested that a staff member be designated to sign the agreements in his absence.

Upon motion by Director Vanderbilt, seconded by Director Ta, the following resolution was unanimously adopted [10-0].

## RESOLUTION NO. 18-12-172

APPROVING PURCHASE AND SALE AGREEMENT WITH NORTH BASIN LAND, LLC  
(H&S VENTURES) FOR PURCHASE OF BALL ROAD BASIN PROPERTY

WHEREAS, the Orange County Water District owns an approximately 18.12-acre parcel of real property located on or about 1200 and 1204 So. Phoenix Club Drive in Anaheim, commonly referred to as the Ball Road Basin property; and

WHEREAS, pursuant to Resolution No. 18-8-1 adopted January 3, 2018, OCWD found that the aforementioned land was no longer necessary to be retained for the uses and purposes of the District and declared it surplus in accordance with Government Code Section 54220, *et seq.*, and authorized filing a Notice of Exemption pursuant to California Environmental Quality Act Guidelines Section 15312, Surplus Government Property Sale.

WHEREAS, North Basin Land, LLC (H&S Ventures, LLC) has submitted an offer to purchase such property for \$24,000,000 and the District staff has presented and recommended acceptance of such offer and approval of the Agreement for Purchase and Sale of Real Property and Instructions to Escrow in connection with such sale;

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby approve the aforementioned Agreement for Purchase and Sale of Real Property and Instructions to Escrow with North Basin Land, LLC (H&S Ventures); and, upon approval as to form by District General Counsel, its execution by the President and General Manager or his designee is authorized.

## INFORMATIONAL ITEMS

23. Field Headquarters – Recharge Operations - Winter Preparations

Director of Recharge and Wetland Operations John Bonsangue provided a presentation on the operations at Field Headquarters in Anaheim and preparations underway for the winter season to maximize the capture of Santa Ana River storm flows.

24. Santa Ana River Conservation and Conjunctive Use Program (SARCCUP) Update

Recharge Planning Manager Adam Hutchinson updated the Board on significant changes to the Santa Ana River Conservation and Conjunctive Use Program (SARCCUP) program which could result in increased water supplies and grant funds available to OCWD. Due to these changes he stated several of the agency general managers will be meeting with DWR staff to discuss these changes. Mr. Hutchinson noted a key objective is to show that although the size of the bank has become smaller, the SARCCUP program still provides benefits to the region and thus should remain fully funded.

25. Water Resources Summary – October 2018

There was no discussion of this item.

26. Santa Ana Watershed Project Authority Activities

Director Whitaker reported that he was officially sworn in as SAWPA Commissioner.

27. 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.

November 08 – Communication and Legislative Liaison Committee

November 14 – Water Issues Committee

November 15 – Administration and Finance Issues Committee

November 30 – Property Management Committee

Director Bilodeau reported on his attendance at the Association of California Water Agencies (ACWA) Conference and Joint Powers Insurance Authority (JPIA) Board meeting in San Diego on November 26. He noted that ACWA presented OCWD with the Huell Howser Best in Blue Award for achieving communications excellence for its GWRS Bottled Water Campaign.

Directors Whitaker, Green, and Sheldon also reported on their attendance at the ACWA Conference on November 27 – 30 in San Diego.

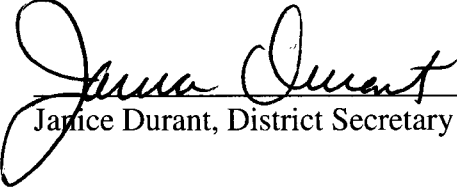
Director Vanderbilt advised that he would be leaving the Board as the City of Anaheim will be appointing an existing Councilmember to serve on the OCWD Board.

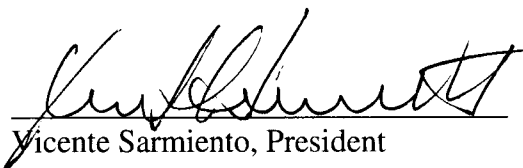
## VERBAL REPORTS

General Manager Markus advised that Sean Maguire of Carmichael, CA was appointed to fill the open seat on the State Water Resources Control Board. He also reported that OCWD received the 2018 Society of Environmental Toxicology and Chemistry Stephen J. Klaine Environmental Education Award for OCWD's environmental education program.

ADJOURNMENT

General Counsel Kuperberg advised that there was no need to adjourn to Closed Session at tonight's meeting. There being no further business to come before the Board, the meeting was adjourned at 6:30 p.m.

  
\_\_\_\_\_  
Janice Durant, District Secretary

  
\_\_\_\_\_  
Vicente Sarmiento, President