

MINUTES OF MEETING
BOARD OF DIRECTORS, ORANGE COUNTY WATER DISTRICT
February 5, 2020, 5 30 p m

President Sarmiento called to order the February 5, 2020 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 (arrived 6 00 p m)
Cathy Green (absent)
Dina Nguyen (arrived 5 50 p m)
Kelly Rowe
Vicente Sarmiento
Stephen Sheldon (arrived 5 45 p m)
Tri Ta
Roger Yoh
Ahmad Zahra

Staff

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

VISITOR PARTICIPATION

Public comments were received under Item No 7 on tonight's Agenda

CONSENT CALENDAR

President Sarmiento requested the removal of Item No 2 from the Consent Calendar The balance of Consent Calendar was approved upon motion by Director Ta, seconded by Director Rowe and carried [6-0] as follows

Ayes Bilodeau, Rowe, Sarmiento, Ta, Yoh, Zahra

Absent Brandman, Green, Nguyen, Sheldon

1 Approval of Cash Disbursements

MOTION NO 20-11
APPROVING CASH DISBURSEMENTS

Payment of bills for the period January 16, 2020 through January 29, 2020 in the total amount of \$6,775,319 55 is ratified and approved

2 2020 Board Committee and Outside Agency Assignments

This item was removed from tonight's Consent Calendar and considered later in tonight's meeting

CONSENT CALENDAR ITEMS RECOMMENDED FOR APPROVAL AT PROPERTY MANAGEMENT COMMITTEE MEETING HELD JANUARY 24

- 3 Amendment Five to License Agreement with T E Roberts for Storing of Construction Equipment Located at Huckleberry Pond, Anaheim

RESOLUTION NO 20-2-14
 APPROVING AMENDMENT TO LICENSE AGREEMENT WITH T E ROBERTS
 FOR STORING CONSTRUCTION EQUIPMENT AT HUCKLEBERRY POND, ANAHEIM

WHEREAS, pursuant to Resolution No 18-1-2 adopted January 3, 2018, as subsequently amended, OCWD issued a License Agreement to T E Roberts, Inc to allow equipment storage at the District’s Huckleberry Pond property in Anaheim utilizing the District’s maintenance roads through January 31, 2020, and

WHEREAS, the Property Management Committee has recommended execution of Amendment Five to such License Agreement extending the expiration date to January 31, 2021, for a fee of \$500 per month, with all other Agreement terms to remain the same,

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby approve Amendment Five to such License Agreement as described herein, and, upon approval as to form by District General Counsel, its execution by the District officers is authorized

- 4 Consent to Assignment of Lease from Gentry Golf, Inc , D B A The Islands Golf Center Lease to NSM Golf, LLC

RESOLUTION NO 20-2-15
 APPROVING CONSENT TO ASSIGNMENT OF GENTRY GOLF, INC , D B A THE ISLANDS
 GOLF CENTER LEASE TO NSM GOLF, LLC

WHEREAS, pursuant to Resolution No 91-12-284 adopted December 18, 1991, and subsequent amendments thereto, OCWD approved a Lease with Gentry Golf, Inc , dba The Islands Golf Center, L P , for operation of a golf driving range and related activities at OCWD’s Burris Basin through September 30, 2022, and

WHEREAS, the President of Gentry Golf, Mr Damo1 Park, has advised that Gentry Golf intends to sell its assets, including the lease, to NSM Golf, LLC and Gentry Golf has therefore requested written consent for the lease assignment, and

WHEREAS, the Property Management Committee has reviewed such request and has recommended assignment of the Lease accordingly,

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby approve the assignment of the aforementioned Lease with Gentry Golf to NSM Golf, LLC for the remainder of the lease term, and, subject to approval as to form by General Counsel, the General Manager is authorized to finalize and execute the Assignment of Lease and Consent to Assignment

CONSENT CALENDAR ITEMS RECOMMENDED FOR APPROVAL AT RETIREMENT COMMITTEE MEETING HELD JANUARY 28

- 5 401(A) Money Purchase Plan Investment Line-Up And 457(B) Deferred Compensation Plan Red Flag Fund Review

MOTION NO 20-12

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

The following actions in connection with the 401(a) Money Purchase Plan and 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 Insights Instl	GCIIX	Keep Red Flag
Goldman Sachs Large Cap Gr Insights Instl	GCGIX	Close and Map to ALLIX
401 (A) PORTFOLIO		
Carillon Scout Mid Cap I	UMBMX	Red Flag
BNY Mellon Midcap Index INV	PESPX	Red Flag

- 6 401(A) Money Purchase Plan and 457(B) Deferred Compensation Plan Share Class Changes

MOTION NO 20-13

APPROVING 401(A) MONEY PURCHASE PLAN AND 457(B) DEFERRED COMPENSATION PLAN SHARE CLASS CHANGES

The share class changes for the 401(a) Money Purchase Plan and 457(b) Deferred Compensation Plan are hereby approved as follows

<u>401 a Plan Fund Name</u>	<u>Ticker</u>	<u>New Share Class</u>	<u>New Ticker</u>
American Funds New World R5E	RNWHX	R5	RNWFY
American Funds New Perspective R5E	RNPHX	R5	RNPFX
American Funds American Balanced R5E	RLEFX	R5	RLBFX
American Funds 2050 Trgt Date Retire R5E	RHITX	R5	REITX
American Funds 2040 Trgt Date Retire R5E	RHGTX	R5	REGTX
American Funds 2030 Trgt Date Retire R5E	RHETX	R5	REETX
American Funds 2020 Trgt Date Retire R5E	RHCTX	R5	RECTX
American Funds 2010 Trgt Date Retire R5E	RHATX	R5	REATX

<u>457 Plan Fund Name</u>	<u>Ticker</u>	<u>New Share Class</u>	<u>New Ticker</u>
American Funds American Mutual R5E	RMFHX	R5	RMFFX
Goldman Sachs Large Cap Gr Insights Instl	GCGIX	I	ALLIX

ITEM REMOVED FROM CONSENT CALENDAR FOR CONSIDERATION

2 2020 Board Committee and Outside Agency Assignments

President Sarmiento requested deferral of this item to the next Board meeting to give the Directors additional time to contact him regarding their Committee preferences. Director Bilodeau announced that he could no longer fulfill his duties as SAWPA Commissioner and suggested that Director Rowe be appointed in his place effective immediately. It was agreed to defer the remainder of the Committee assignments to the February 19 Board meeting.

Upon motion by Director Bilodeau, seconded by Director Yoh, the following resolution was unanimously carried [6-0]

**RESOLUTION NO 20-2-16
APPOINTING KELLY ROWE TO SUCCEED DENIS BILODEAU AS COMMISSIONER ON
THE SANTA ANA WATERSHED PROJECT AUTHORITY**

RESOLVED, that the Orange County Water District Board hereby appoints Kelly Rowe to succeed Denis Bilodeau as Commissioner of the Santa Ana Watershed Project Authority effective February 5, 2020

FURTHER RESOLVED, that Dina Nguyen shall continue to serve in the capacity of Alternate Commissioner to SAWPA

Directors Sheldon arrived at 5 45 p m and Director Nguyen arrived at 5 50 p m during discussion of the following item

MATTER FOR CONSIDERATION

7 Draft Polyfluoroalkyl Substances (PFAS) Agreement with Impacted Groundwater Producers

Executive Director John Kennedy recalled that the Board established a PFAS Policy whereby OCWD would construct PFAS treatment systems for impacted Groundwater Producers (GWP) He stated that staff has prepared an agreement to implement the program Mr Kennedy outlined the terms of the proposed agreement, noting that OCWD would work closely with GWP in constructing these treatment systems, and at the time of execution of the agreement, OCWD would reimburse the GWP for design costs already incurred He stated the GWP would own and operate the systems for 30 years and OCWD would provide 50% subsidy for the O&M costs up to \$75 per acre foot Mr Kennedy noted there is an option for the GWP to take the lead on designing and constructing the system, and pointed out that the GWP will support and be a co-litigant for any legal action that OCWD initiates, with an option for the GWP to pursue its own litigation to recover costs He explained that all settlement money would be proportionally shared Mr Kennedy summarized a new term that provides for establishment of a Steering Committee for the litigation that would be comprised of one OCWD representative and one GWP representative that would meet quarterly or as often as necessary and coordinate with legal counsel, and that an Executive Committee would be formed with two representatives from both OCWD and the participating GWP group Mr Kennedy stated the proposed agreement was forwarded to the GWP and that eight comment letters/emails were received from Cities of Anaheim, Garden Grove, Fullerton, Orange, Yorba Linda Water District, Irvine Ranch Water District, East Orange County Water District, and Serrano Water District The following individuals then addressed the Board

Irvine Ranch Water District Paul Cook indicated that IRWD will not sign the proposed agreement in its current form and stated that more collaboration with the GWP needs to occur He urged development of two separate agreements one in which OCWD constructs the treatment system and one in which the GWP constructs the system He urged the Board to defer action to allow more time for the GWP to work with staff and legal counsel to develop an acceptable agreement

East Orange County Water District General Manager Lisa Ohlund also requested two separate agreements and urged the Board defer action on the agreement to allow additional time for GWP review and comment

Glenn Brooks suggested the use of the pyrolysis process for the treatment of PFAS and suggested the public be allowed to participate in the Steering and Executive Committees in the interest of transparency

The Board noted that it supports continued dialogue with the GWP, and the following action was taken

MOTION NO 20-14
TABLING CONSIDERATION OF PFAS AGREEMENT WITH GROUNDWATER
PRODUCERS TO THE FEBRUARY 19, 2020 BOARD MEETING

Upon motion by Director Ta, seconded by Director Zahra and carried [8-0], consideration of the PFAS Agreement with Groundwater Producers is hereby tabled to the February 19 Board meeting
Ayes Bilodeau, Nguyen, Rowe, Sarmiento, Sheldon, Ta, Yoh, Zahra
Absent Brandman, Green

Director Brandman arrived at 6 00 p m at this point in tonight's meeting

INFORMATIONAL ITEMS

8 Santa Ana Watershed Project Authorities Activities

Director Bilodeau reported on the recent SAWPA activities and noted that Director Rowe would be taking over as SAWPA Commissioner

9 Committee Reports

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

January 24 – Property Management Committee

January 28 – Retirement Committee

January 29 – Joint Planning Committee

VERBAL REPORTS

General Manager Markus advised that Director Green broke her foot while in Sacramento and announced that she was elected to the Executive Committee of ACWA He also stated that the State will be announcing the changes to the response levels on PFOA and PFOS tomorrow along with the required testing protocols Director Zahra advised that he will host a PFAS water talk on February 8 at 10 00 a m at the Fullerton Community Center Directors Nguyen, Rowe, Sarmiento, and Ta attended the TET Parade on January 26 in Westminster Director Rowe stated he attended the Southern California Water Coalition quarterly luncheon on March 24

RECESS TO CLOSED SESSION

The Board recessed to Closed Session at 6 10 p m as follows

- CONFERENCE WITH LABOR NEGOTIATORS [Government Code Section 54957 6]
OCWD designated representative Stephanie Dosier
⊙ Employee Organization Orange County Employee Association and
⊙ Non-Represented Employees (Confidential and Management)
- CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION -
INITIATION OF LITIGATION [Government Code Section 54956 9(d)(4) One
potential case
- CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION -
SIGNIFICANT EXPOSURE TO LITIGATION - [Government Code Section
54956 9(d)(2) One potential case

RECONVENE IN OPEN SESSION


The Board reconvened in Open Session at 6 35 p m whereupon General Counsel Jungreis 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 35 p m



Janice Durant, District Secretary



Vicente Sarmiento, President