

MINUTES OF MEETING
BOARD OF DIRECTORS, ORANGE COUNTY WATER DISTRICT
April 19, 2023, 5:30 p.m.

President Green called to order the April 19, 2023 regular meeting of the Orange County Water District Board of Directors at 5:30 p.m. Following the Pledge of Allegiance to the Flag, the District Secretary called the roll and reported a quorum as follows. Public access was also provided via Zoom webinar.

Directors

Valerie Amezcua
Denis Bilodeau
Cathy Green
Dina Nguyen
Natalie Meeks
Kelly Rowe
Stephen Sheldon (absent)
Van Tran
Bruce Whitaker
Roger Yoh

Staff

Michael R. Markus, General Manager
Jeremy Jungreis, General Counsel
Christina Fuller, District Secretary

VISITOR PARTICIPATION

Mesa Water District General Manager Paul Shoenberger remarked on tonight's closed session item, *IRWD vs. OCWD*, stating that the Mesa Water District Board is very pleased with the outcome of the lower court's ruling in OCWD's favor and thanked OCWD for the vigorous defense of the Basin and the Producers.

1. Public Hearing to Consider Water Year 2023-24 Replenishment Assessments, Basin Equity Assessment, Basin Production Percentage, Production Requirement Limitation and Surcharge

President Green opened the public hearing for Finding and Determining the Groundwater Basin Overdraft; Levying the RA, Additional RA, and Fixed Charge RA, establishing the BPP, establishing a Production Limitation and a Surcharge, and setting the BEA. Executive Director John Kennedy explained that The District Act requires a public hearing be held each April to establish the Replenishment Assessment (RA), Additional Replenishment Assessment (ARA), Basin Production Percentage (BPP), Production Limitation and Surcharge, and the Basin Equity Assessments (BEA). He stated that staff recommends setting the RA and ARA at \$624 per acre-foot. He reported that the BPP would increase from 77% to 85% and that a Production Limitation of 100% would be established along with a Surcharge of \$2,000/acre-foot for groundwater production above the Production Limitation. Mr. Kennedy noted the rates established by the Board would become effective July 1, 2023. President Green then opened the hearing for public comment.

There being no persons wishing to present testimony, President Green declared the hearing closed and the Board took the following actions.

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1. Resolution A

Upon motion by Director Bilodeau, seconded by Director Whitaker, the following resolution was adopted [9-0] by roll call vote.

Ayes: Amezcua, Bilodeau, Green, Meeks, Nguyen, Rowe, Tran, Whitaker, Yoh

Absent: Sheldon

RESOLUTION NO. 23-4-42

FINDING AND DETERMINING A GROUNDWATER BASIN OVERDRAFT EXISTS

WHEREAS, the report and recommendation of the General Manager on the amount of the replenishment rates, which includes a consideration of the amount of money necessary for replenishment purposes and to pay the costs of initiating, carrying on and completing any of the powers, projects and purposes of the District, has been heard; and

WHEREAS, pursuant to the provisions of the Orange County Water District Act, an engineering investigation and report concerning the condition of the groundwater supplies of the Orange County Water District has been filed and presented to the Board of said District, and a public hearing was held on March 15, 2023, for the purpose of considering the groundwater conditions of said District and to hear persons supporting or protesting the written engineering investigation and report on file with said District; and

WHEREAS, all notices as required regarding said hearing were given and all persons were permitted an opportunity to submit any evidence to this Board; and said matter was submitted to this Board of Directors for their finding and determination;

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the Board of Directors of the Orange County Water District finds and determines that an overdraft, both annual (based on normal hydrology) and accumulated, does exist in the groundwater supplies of said District; and

BE IT FURTHER RESOLVED that this Board of Directors hereby finds and determines as follows:

1. That the average annual overdraft for the immediate past five water years without supplemental replenishment water is132,100 AF
2. That the annual basin overdraft for the current water year, July 1, 2022 to June 30, 2023 without supplemental replenishment water is estimated to be80,000 AF
3. That the estimated annual basin overdraft for the ensuing water year, July 1, 2023 to June 30, 2024 without supplemental replenishment water is97,000 AF
4. That the accumulated overdraft as of the last day of the preceding water year, June 30, 2022, is 258,000 AF

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- 5. That the accumulated overdraft as of the last day of the current water year, assuming average hydrology June 30, 2023 is estimated to be208,000 AF
- 6. That the maximum amounts of water which could be purchased pursuant to the District Act from the Replenishment Fund for the replenishment of the groundwater supplies of the District for the ensuing water year is158,000 AF
- 7. That the recommended amount of water to be purchased for the replenishment of the groundwater supplies of the District for the ensuing water year, excluding supplies for the Talbert seawater intrusion barrier, is3,000 AF
- 8. That the amount of money necessary to purchase the recommended amount of water to replenish the groundwater supplies of the District for the water year July 1, 2023 to June 30, 2024 is..... \$6.2 million

2. Resolution B

Upon motion by Director Yoh, seconded by Director Rowe, with Director Tran abstaining, the following resolution was adopted [8-0-1] by roll call vote.

Ayes: Amezcua, Bilodeau, Green, Meeks, Nguyen, Rowe, Whitaker, Yoh

Abstain: Tran

Absent: Sheldon

RESOLUTION NO. 23-4-43
 LEVYING REPLENISHMENT ASSESSMENT FOR WATER PRODUCED
 DURING WATER YEAR 2023-24

WHEREAS, the engineering investigation and report concerning the condition of the groundwater supplies of the Orange County Water District has been made and filed; and

WHEREAS, the report and recommendation of the General Manager on the amount of the replenishment rate, which includes a consideration of the amount of money necessary for replenishment purposes and to pay the costs of initiating, carrying on and completing any of the powers, projects and purposes of the District, has been heard; and

WHEREAS, on March 15, 2023, the District provided public documents on a potential increase to the Replenishment Assessment to be levied and imposed on each groundwater producer, and the basis and reasons for the proposed Replenishment Assessment; and

WHEREAS, a duly noticed public hearing was held on March 15, 2023 concerning the condition of the groundwater supplies of this District and a duly-noticed public hearing was held on April 19, 2023 for the purpose of determining the need and desirability of levying a Replenishment Assessment; and

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WHEREAS, no written protests were filed against the adoption, levy and imposition of the proposed Replenishment Assessment; and

WHEREAS, this Board has found and determined that an annual and accumulated overdraft does exist;

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

Section 1: That the Board of Directors does hereby find and determine that it is necessary and desirable to levy a Replenishment Assessment and to fix the rate thereof for the purchase of water to replenish the groundwater supplies of said District and to pay the costs of initiating, carrying on and completing any of the powers, projects and purposes of the District for the ensuing water year.

Section 2: That, based upon the staff report and presentation, the proposed fiscal year 2023-24 budget presented by the General Manager, and the testimony and evidence presented at the public hearing, the Board of Directors finds and declares as follows:

- (a) In accordance with Sections 23 and 27 of the Orange County Water District Act, the purposes of the Replenishment Assessment are to generate revenues sufficient to acquire water to replenish the average annual overdraft for the immediate five years plus an additional amount of water sufficient to eliminate over a period of not less than 10 years nor more than 20 years the accumulated overdraft, and to provide the services and to pay the costs of initiating, carrying on, and completing the powers, projects and purposes for which the District was organized and which are authorized by the Board of Directors;
- (b) The revenues derived from the levy and imposition of the Replenishment Assessment do not exceed the reasonable costs to the District of acquiring water, providing the groundwater management and replenishment services and carrying out the powers, projects and purposes for which the District was organized and which are authorized by the Board of Directors;
- (c) The Replenishment Assessment is imposed for groundwater management and replenishment services to pay the costs of initiating, carrying on, and completing the powers, projects, and purposes for which the District was organized and which are authorized by the Board of Directors, which are not provided to or which do not provide a benefit to persons who are not charged directly or indirectly the Replenishment Assessment;
- (d) The manner in which the Replenishment Assessment is allocated to and imposed on any operator of a groundwater producing facility bears a fair and reasonable relationship to the operator's burdens on, or benefits received from, the District's groundwater management and replenishment services and such other projects and purposes for which the District was organized and which are authorized by the Board of Directors; and
- (e) No Replenishment Assessment shall be levied or imposed upon any operator of any groundwater producing facility unless that operator produces groundwater.

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Section 3: That pursuant to the provisions of Section 27 of the Orange County Water District Act, and based upon the finding that an overdraft, either annual or accumulated, exists, a Replenishment Assessment is hereby levied and assessed against all persons operating water producing facilities and producing water during the ensuing water year, from July 1, 2023 to and including June 30, 2024, from the groundwater supplies of said District at the uniform rate of \$312 per acre-foot of water produced by all persons during the ensuing water year. The Board of Directors finds and determines that the replenishment rate of \$312 per acre-foot of water produced by all persons during the ensuring water year does not exceed the amount necessary to purchase sufficient water to replenish the average annual overdraft for the immediate five years, plus an additional amount of water sufficient to eliminate over a period of not less than 10 years nor more than 20 years the accumulated overdraft, plus an amount to pay the costs of initiating, carrying on and completing the powers, projects and purposes for which the District was organized.

Section 4: That the Secretary of this District is hereby instructed and directed to give notice of the levy of this Replenishment Assessment as required by the Orange County Water District Act.

3. Resolution C

Upon motion by Director Yoh, seconded by Director Amezcua, with Director Tran voting “No,” the following resolution was adopted [8-0-1] by roll call vote.

Ayes: Amezcua, Bilodeau, Green, Meeks, Nguyen, Rowe, Whitaker, Yoh

Noes: Tran

Absent: Sheldon

RESOLUTION NO. 23-4-44
LEVYING ADDITIONAL REPLENISHMENT ASSESSMENT AND FIXED CHARGE
REPLENISHMENT ASSESSMENT FOR WATER PRODUCED
DURING WATER YEAR 2023-24, AND DETERMINING THE REPLENISHMENT
ASSESSMENT AND ADDITIONAL REPLENISHMENT ASSESSMENT
EXEMPT FROM CEQA

WHEREAS, the engineering investigation and report concerning the condition of the groundwater supplies of the Orange County Water District has been made and filed; and

WHEREAS, the report and recommendation of the General Manager on the amount of the additional replenishment rate, which includes a consideration of the amount of money necessary for replenishment purposes and to pay the costs of initiating, carrying on and completing any of the powers, projects and purposes of the District, has been heard; and

WHEREAS, on March 15, 2023 the District provided public documents on a potential increase to the Additional Replenishment Assessment to be levied and imposed on each groundwater producer, and the basis and reasons for the proposed Additional Replenishment Assessment; and

WHEREAS, the Additional Replenishment Assessment is paid by all persons operating water producing facilities for all purposes other than irrigation as defined in the District Act; and

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WHEREAS, a duly noticed public hearing was held on March 15, 2023 concerning the condition of the groundwater supplies of this District and a duly noticed public hearing was held on April 19, 2023 for the purpose of determining the need and desirability of levying an Additional Replenishment Assessment, and fixing the rate thereof; and

WHEREAS, no written protests were filed against the adoption, levy and imposition of the proposed Additional Replenishment Assessment; and

WHEREAS, this Board has heretofore levied a Replenishment Assessment against all persons operating water producing facilities and producing water during the ensuing water year, from July 1, 2023 to and including June 30, 2024, from the groundwater supplies of said District at the uniform rate of \$312 per acre-foot of water produced by all persons during the ensuing water year;

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

Section 1: That the Board of Directors does hereby find and determine that it is necessary and desirable to levy an Additional Replenishment Assessment and to fix the rate thereof to pay the costs of initiating, carrying on and completing any of the powers, projects and purposes of the District for the ensuing water year.

Section 2: That, based upon the staff report and presentation, the proposed fiscal year 2023-24 budget presented by the General Manager, and the testimony and evidence presented at the public hearing, the Board of Directors finds and declares as follows:

- (a) In accordance with Sections 23 and 27.1 of the Orange County Water District Act, the purpose of the Additional Replenishment Assessment is to generate revenues sufficient to provide the services and to pay the costs of initiating, carrying on, and completing the powers, projects, and purposes for which the District was organized and which are authorized by the Board of Directors;
- (b) The revenue derived from the levy and imposition of the Additional Replenishment Assessment shall not exceed the reasonable cost to the District of providing the groundwater management and replenishment services and carrying out the powers, projects, and purposes for which the District was organized and which are authorized by the Board of Directors;
- (c) The Additional Replenishment Assessment is imposed for groundwater management and replenishment services and to pay the costs of initiating, carrying on, and completing the powers, projects and purposes for which the District was organized and which are authorized by the Board of Directors, which are not provided to or which do not provide a benefit to persons who are not charged directly or indirectly the Additional Replenishment Assessment;
- (d) The manner in which the Additional Replenishment Assessment is allocated to and imposed on any operator of a groundwater producing facility bears a fair and

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reasonable relationship to that operator's burdens on, or benefits received from the District's groundwater management and replenishment services and such other projects and purposes for which the District was organized and which are authorized by the Board of Directors; and

- (e) No Additional Replenishment Assessment shall be levied or imposed upon any operator of any groundwater producing facility unless that operator produces groundwater for purposes other than irrigation.

Section 3: That pursuant to the provisions of Section 27.1 of the Orange County Water District Act, the Board of Directors hereby finds and determines that it is necessary and advisable to levy an Additional Replenishment Assessment against all persons operating water producing facilities for all purposes other than irrigation at a uniform rate per acre-foot for water produced during the ensuing year for the purpose of paying the costs of initiating, carrying on and completing the powers, projects and purposes for which the District is organized. The Board of Directors further finds that the Additional Replenishment Assessment rate of \$312 per acre-foot of water produced from the groundwater supplies of the District is necessary for the protection of the water supplies of the District and that the amount is reasonable. An Additional Replenishment Assessment is hereby levied and assessed against all persons operating water producing facilities and producing water from the groundwater supplies of said District for all purposes other than irrigation during the ensuing water year from July 1, 2023 to and including June 30, 2024 at the uniform rate of \$312 per acre-foot of water for a total of \$624 per acre-foot of water produced by said persons during the ensuing water year for purposes other than irrigation.

Section 4: Pursuant to Section 29 of the Orange County Water District Act, the Board of Directors of the Orange County Water District does hereby provide that the operator of any water producing facility within the District which has a discharge opening not greater than two inches in diameter and which does not provide domestic or irrigation water for an area in excess of one acre, in lieu of filing a sworn statement as to the production of groundwater, may pay a fixed Replenishment Assessment and Additional Replenishment Assessment in the amount of \$624 for water produced in the ensuing water year, namely July 1, 2023 to June 30, 2024.

Section 5: Based upon the staff report and presentation, the proposed fiscal year 2023-24 budget presented by the General Manager, and the testimony and evidence presented at the public hearing, the Board of Directors finds and declares that the adoption, levy and imposition of the Replenishment Assessment and Additional Replenishment Assessment do not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") and are exempt from CEQA under Public Resources Code Section 21080(b)(8) and State CEQA Guidelines §§ 15378(b)(4) and 15273, because the Replenishment Assessment and Additional Replenishment Assessment: (a) involve the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment; and (b) are for the purposes of meeting operating expenses (including employee wage rates and fringe benefits), purchasing or leasing supplies, equipment or materials, meeting financial reserve needs and requirements, and obtaining funds for capital projects necessary to maintain the level of service within the District's existing boundaries.

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Section 6: That the Board of Directors does hereby find and determine that a producer who operates a groundwater production facility for irrigation purposes as defined in the District Act is not subject to payment of the Additional Replenishment Assessment due to the benefits the District receives from agricultural activity. These benefits include:

- Open tilled agricultural fields contribute to natural incidental recharge of the groundwater basin;
- The District does not incur the costs to provide water quality groundwater testing for agricultural users, which is provided to the operators of water producing facilities for purposes other than agriculture;
- The District and the operators of water producing facilities for agricultural purposes have little to minimal interaction in annual operations. Conversely the District and the operators of facilities for non-agricultural purposes regularly interact and/or coordinate operations. Examples include the MWD Conjunctive Use Program, the Coastal Pumping Transfer Program, attending meetings, coordinating on MWD issues, legislative advocacy, public outreach and the In-lieu program; and
- Some agricultural irrigation water migrates back into aquifer reducing the net impact of groundwater production for agricultural purposes.

Section 7: That the Secretary of this District is hereby instructed and directed to give notice of the levy of the Replenishment Assessment and this Additional Replenishment Assessment as required by the Orange County Water District Act, and to file a Notice of Exemption in accordance with CEQA.

4. Resolution D

Upon motion by Director Rowe, seconded by Director Whitaker, with Director Tran abstaining, the following resolution was adopted [8-0-1] by roll call vote.

Ayes: Amezcua, Bilodeau, Green, Meeks, Nguyen, Rowe, Whitaker, Yoh

Abstain: Tran

Absent: Sheldon

RESOLUTION NO. 23-4-45

ESTABLISHING THE BASIN PRODUCTION PERCENTAGE, PRODUCTION LIMITATION, PRODUCTION LIMITATION SURCHARGE, AND DETERMINING THE NEED AND DESIRABILITY TO LEVY BASIN EQUITY ASSESSMENTS AND AMOUNT THEREOF, AND DETERMINING SUCH ACTIONS TO BE EXEMPT FROM CEQA

WHEREAS, pursuant to Section 31.5 of the Orange County Water District Act, an engineering report on water production and the condition of water supplies within the Orange County Water District has been filed and presented to the Board of Directors of said District, and a hearing relating to said production and condition of water supplies was held on Wednesday, March 15, 2023; and

WHEREAS, a duly noticed public hearing was held on April 19, 2023 and evidence submitted for the purpose of determining the need and desirability of levying Basin Equity Assessments and the amount thereof, as well as the need for establishing production requirements, limitations, and surcharges to enforce said limitations, and the extent thereof, and said matters having been

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submitted to the Board of Directors for its findings and determinations;

WHEREAS, as documented with Resolution A, Finding and Determining a Groundwater Basin Overdraft Exists, an annual and accumulated overdraft exists with the groundwater basin and the District does not want excessive unexpected quantities of groundwater to be produced, or production of groundwater to occur in a manner that has the potential to harm users of groundwater within the District, which the setting of a Production Limitation and a Surcharge will discourage and penalize.

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

Section 1: That the Board of Directors does hereby find and determine for the ensuing water year July 1, 2023 to June 30, 2024 as follows:

- a. The estimated total amount of water to be produced by all persons or operators within the District from the groundwater within the District is 280,000 acre-feet. Approximately 24,000 acre-feet of this amount has been determined to receive either a partial or full Basin Equity Assessment exemption pursuant to Section 38.1 of the OCWD Act.
- b. The estimated total amount to be produced by such persons and operators from groundwater and supplemental sources is 367,000 acre-feet.
- c. The Basin Production Percentage is 85 percent. There are no basin Production Requirements.
- d. The Production Limitation is 100 percent for all 19 retail Groundwater Producers and is necessary for the protection of the water supply of the District. The Surcharge for production in excess of the Production Limitation is \$2,000 per acre-foot.
- e. The Basin Equity Assessment and Production Limitations from groundwater within the District established by this resolution are necessary to prevent excessive groundwater production and to protect the water supply of the District and users of groundwater within the District.
- f. The Basin Equity Assessment shall be set at \$0 per acre-feet for agricultural irrigation use producers who do not have a supplemental water connection, and that such amount is reasonable.
- g. The Basin Equity Assessments to be levied against all other persons and operators in a dollar amount per acre-foot of water produced from the groundwater supply (in excess of the basin production percentage) for all purposes including irrigation are as follows:

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h.

Table 1 - Basin Equity Assessments

<u>Groundwater Producer</u>	<u>BEA (\$/AF)</u>
City of Anaheim	152
City of Buena Park	496
East Orange County Water District	334
City of Fountain Valley	372
City of Fullerton	372
City of Garden Grove	359
Golden State Water Company	374
City of Huntington Beach	589
Irvine Ranch Water District	515
City of La Palma	331
Mesa Water District	566
City of Newport Beach	384
City of Orange	355
City of Santa Ana	336
City of Seal Beach	357
Serrano Water District	282
City of Tustin	480
City of Westminster	373
Yorba Linda Water District	312
All producers for agricultural irrigation use	821
Producers for agricultural Irrigation Use without MWD Access	0
All Others	549

j. The amount of each such Basin Equity Assessment is reasonable.

k. During the ensuing water year, upon the District giving published notice thereof, pursuant to Section 6061 of the Government Code, in a newspaper of general circulation printed and published within the District at least 10 days prior to such hearing, a subsequent public hearing may be held to modify the basin production percentage, any Basin Equity Assessments, any surcharge, or any production requirement or limitation established by the District.

Section 2: That pursuant to Section 31.5(h) of the Orange County Water District Act, all persons and operators who produce 25 acre-feet or less of water from groundwater within the District shall be excluded from the levy of the Basin Equity Assessments and production requirements and limitations provided for herein.

Section 3: The Board of Directors finds and determines that the establishment of the basin production percentage, production limitations, and the adoption, levy and imposition of basin equity assessments and surcharges are exempt from the California Environmental Quality Act (“CEQA”) under State CEQA Guideline §15378(b)(2) since they involve continuing administrative activities such as general policy and procedure making.

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Section 4: Based upon the staff report and presentation, the proposed fiscal year 2023-24 budget presented by the General Manager, and the testimony and evidence presented at the public hearing, the Board of Directors finds and declares that the adoption, levy and imposition of the basin equity assessments, production limitations and surcharges do not constitute a “project” within the meaning of CEQA and are exempt from CEQA under Public Resources Code Section 21080(b)(8) and State CEQA Guidelines §§ 15378(b)(4) and 15273, because the basin equity assessments production limitations and surcharges: (a) involve the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment; and (b) are for the purposes of meeting operating expenses (including employee wage rates and fringe benefits), purchasing or leasing supplies, equipment or materials, meeting financial reserve needs and requirements, and obtaining funds for capital projects necessary to maintain the level of service within the District’s existing boundaries.

Section 5: That the Secretary of this District is hereby instructed and directed to give notice of the Basin Production Percentage, Basin Equity Assessments, the Production Limitation and the Production Limitation Surcharge as required by the Orange County Water District Act, and to file a Notice of Exemption in accordance with CEQA.

CONSENT CALENDAR

The Consent Calendar was approved upon motion by Director Bilodeau, seconded by Director Tran and carried [9-0] as follows, with Director Bilodeau abstaining on Item No. 8, *Professional Services Agreement to Dopudja and Wells Consulting*, pursuant to Government Code Section 84308.

- Ayes: Amezcua, Bilodeau, Green, Meeks, Nguyen, Rowe, Tran, Whitaker, Yoh
- Abstain: Bilodeau: Item No. 8
- Absent: Sheldon

2. Approval of Cash Disbursements

MOTION NO. 23-43
APPROVING CASH DISBURSEMENTS

Payment of bills for the period of March 30, 2023 through April 12, 2023 in the total amount of \$8,998,037.05 is ratified and approved.

3. Approval of Minutes of Board of Directors Meetings

MOTION NO. 23-44
APPROVING MINUTES OF BOARD OF DIRECTORS MEETING

The Minutes of the Board of Directors meeting held March 11, 2023 are hereby approved as presented.

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4. Amendment No. 3 to Agreement with Lhoist North America for the Supply and Delivery of Lime

RESOLUTION NO. 23-4-46
APPROVING AMENDMENT TO AGREEMENT WITH LHOIST NORTH AMERICA FOR
CONTINUED SUPPLY AND DELIVERY OF HYDRATED LIME

WHEREAS, pursuant to Resolution No. 18-4-50 adopted April 18, 2018, as amended, OCWD authorized Agreement No. 1298 to Lhoist North America for supply and delivery of hydrated lime at the rate of \$ 237 per ton for a period of two years with an option to renew for one additional two years; and,

WHEREAS, staff has recommended issuance of Amendment No. 3 to Agreement No. 1298 with Lhoist North America for supply and delivery of hydrated lime at the rate of \$408 per ton for a period of one year;

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

ITEMS RECOMMENDED FOR APPROVAL AT COMMUNICATION AND LEGISLATIVE
LIAISON COMMITTEE MEETING HELD APRIL 6, 2023

5. State Legislative Update

RESOLUTION NO. 23-4-47
ADOPTING POSITIONS ON STATE LEGISLATION

RESOLVED, that the following positions on State legislation are hereby adopted.

Bill Number/Author	Short Title	Recommendation
Water Rights Bills		
AB 460 (Rebecca Bauer-Kahan, D-Orinda)	State Water Resources Control Board: interim relief	Oppose
AB 1337 (Buffy Wicks, D-Oakland)	State Water Resources Control Board: water shortage enforcement	Oppose
SB 389 (Ben Allen, D-Redondo Beach)	State Water Resources Control Board: determination of water right	Oppose
Other Bill Topics		
AB 557 (Gregg Hart, D-Santa Barbara)	Open meetings: local agencies: teleconferences	Support
SB 745 (Dave Cortese, D-Campbell)	The Drought-Resistant Buildings Act	Consistent with WateReuse, take an "Oppose unless amended" position to exempt

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		areas from the greywater capture building standard requirement that already have a centralized water recycling system; and support any additional amendments that WateReuse is developing
SB 366 (Anna Caballero, D-Fresno)	The California Water Plan: long-term supply targets	Watch
State Bond Bills		Informational

ITEMS RECOMMENDED FOR APPROVAL AT WATER ISSUES COMMITTEE MEETING HELD APRIL 12, 2023

6. Agreement to Best Drilling and Pump Inc. for Monitoring Well IDM-3 Redevelopment and Disinfection

RESOLUTION NO. 23-4-48

AUTHORIZING AGREEMENT TO BEST DRILLING AND PUMP INC. TO REDEVELOP AND DISINFECT MONITORING WELL IDM-3 CASING NO. 3

WHEREAS, the District staff prepared and issued a Request for Quotations (RFQ)/Scope of Work to redevelop and disinfect monitoring well IDM-3 casing No. 3.

WHEREAS, the scope of work entails wire brushing the casing and screen intervals, acid chemical treatment, chlorine chemical treatment, and airlift purging for chemical removal;

WHEREAS, the Water Issues Committee of this Board has recommended that the District enter into a Service Agreement with Best Drilling and Pump Inc. for redevelopment and disinfection of monitoring well IDM-3 casing No. 3. for an amount not to exceed \$86,650; and,

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby approve issuance of agreement to lowest bidder Best Drilling and Pump Inc. to redevelop and disinfect monitoring well IDM-3 casing No. 3. for an amount not to exceed \$86,650; and upon approval as to form by District General Counsel, its execution by the District officers is authorized.

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7. Agreement to Best Drilling and Pump Inc. for Multiport Monitoring Well AMD-3 Rehabilitation

RESOLUTION NO. 23-4-49
AUTHORIZING AGREEMENT TO BEST DRILLING AND PUMP INC. FOR MULTIPORT MONITORING WELL AMD-3 REHABILITATION, PURCHASE ORDER AND SERVICE AGREEMENT TO WESTBAY INSTRUMENTS

WHEREAS, cost proposals for rehabilitation (redevelopment and disinfection) of multiport monitoring well AMD-3, and for replacement Westbay components and technical support were received in February 2023;

WHEREAS, the Water Issues Committee of this Board has recommended that the District enter into a Service Agreement with Best Drilling and Pump Inc. for redevelopment and disinfection of monitoring well AMD-3 for an amount not to exceed \$169,250; and,

WHEREAS, the Water Issues Committee of this Board further recommended that the District issue a purchase order to Westbay Instruments for an amount not to exceed \$72,529 for Westbay components; and entering into a Service Agreement with Westbay Instruments to provide technical support during component installation for an amount not to exceed \$13,408.

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

Section 1: Services Agreement with Best Drilling & Pump Inc. for an amount not to exceed \$169,250, and, upon approval as to form by OCWD General Counsel, its execution by the District officers is authorized.

Section 2: Issuance of a Purchase Order to Westbay Instruments for an amount not to exceed \$72,529 for replacement casing and packer components is hereby authorized.

Section 3: Services Agreement with Westbay Instruments to provide technical support during casing and packer installation for an amount not to exceed \$13,408 and, upon approval as to form by OCWD General Counsel, its execution by the District officers is authorized.

8. Professional Services Agreement with Dopudja & Wells Consulting

RESOLUTION NO. 23-4-50
APPROVING AMENDMENT TO AGREEMENT WITH DOPUDJA & WELLS CONSULTANTS

RESOLVED, that issuance of an Amendment to Agreement No. 1488 with Paul Jones of Dopudja & Wells increasing the contract amount by \$20,000 for a total amount of \$54,999 is authorized to assist with completion of the Santa Ana River Conservation and Conjunctive Use Program (SARCCUP) and, upon approval as to form by District General Counsel, its execution by the District officers is authorized.

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9. Additional Funds for Refurbishment and Replacement Fund R22005

RESOLUTION NO. 23-4-51
APPROVING ADDITIONAL FUNDS FOR R&R ACCOUNT R20005

RESOLVED, additional funds in the amount of \$300,000 for R&R account R20005 for refurbishment or replacement for mechanical equipment, electrical equipment, and structural items is hereby authorized.

10. Authorize Agreement with Environmental Science Associates to Prepare an Environmental Impact Report for the South Basin Groundwater Protection Project

RESOLUTION NO. 23-4-52
APPROVING AGREEMENT WITH ENVIRONMENTAL SCIENCE ASSOCIATES TO PREPARE AN ENVIRONMENTAL IMPACT REPORT

RESOLVED, that issuance of an agreement in an amount not to exceed \$296,426 with Environmental Science Associates (ESA) is hereby authorized for the preparation of a Program Environmental Impact Report.

11. Logic Controller, User Interface, and Data Logging Systems Upgrades for Microfiltration (MF) And Reverse Osmosis (RO) Pilots

MOTION NO. 23-45
AUTHORIZING REQUEST FOR QUOTES FOR ENGINEERING RESEARCH CENTER PILOT UPGRADES

Issuance of a Request for Quotes for Engineering Research Center pilot upgrades is hereby authorized.

12. Interagency Agreement for Operation of Santa Ana River Conservation and Conjunctive Use Program Water Banks

RESOLUTION NO. 23-4-53
APPROVING INTERAGENCY AGREEMENT FOR OPERATION OF SANTA ANA RIVER CONSERVATION AND CONJUNCTIVE USE PROGRAM WATER BANKS

WHEREAS, the Santa Ana River Conservation and Conjunctive Use Program (SARCCUP) is a multi-faceted Program involving OCWD and the other four Santa Ana Watershed Project Authority (SAWPA) member agencies, namely, Eastern Municipal Water District, Western Municipal Water District, Inland Empire Utilities District, and the San Bernardino Valley Municipal Water District; and

WHEREAS, an interagency agreement amongst the four water banking agencies, which are part of an Operations Committee, has been drafted to define Operating Committee roles and responsibilities for decision making surrounding water purchases, storage, extraction and other elements of the water banking program; and

4/19/2023

WHEREAS, the Water Issues Committee of this Board has recommended the General Manager execute Operation of SARCCUP Water Banking Facilities, Interagency Agreement; and,

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby authorize the General Manager to execute Operation of SARCCUP Water Banking Facilities, Interagency Agreement subject to review as to form by the District's General Counsel.

ITEMS RECOMMENDED FOR APPROVAL AT ADMINISTRATION AND FINANCE
ISSUES COMMITTEE MEETING HELD APRIL 13, 2023

13. Monthly Cash Control Report

MOTION NO. 23-46
RECEIVING AND FILING THE MONTHLY CASH CONTROL REPORTS

The Summary Cash and Cash Equivalents Control Reports dated March 31, 2023 are hereby received and filed.

14. Investment Portfolio Holdings Reports

MOTION NO. 23-47
RECEIVING AND FILING THE INVESTMENT PORTFOLIO HOLDINGS REPORTS

The Investment Portfolio Holdings Reports dated March 31, 2023 are hereby received and filed.

15. Additional Funds for Purchase of RO Pilot Unit

MOTION NO. 23-48
AUTHORIZING ADDITIONAL FUNDS TO SEPARATION PROCESSES INC. FOR THE
PURCHASE OF REVERSE OSMOSIS PILOT UNIT

Additional funds in the amount of \$5,129 is authorized to Separation Processes Inc. for the purchase of reverse osmosis pilot unit for a total purchase price of \$43,129.

16. Purchase Order to Quinn Company for Undercarriage for Bulldozer TL-42

RESOLUTION NO. 23-4-54
AUTHORIZING ISSUANCE OF PURCHASE ORDER TO QUINN COMPANY

RESOLVED, that issuance of a Purchase Order is authorized to Quinn Company for an amount not to exceed \$65,112 for a new Caterpillar undercarriage for bulldozer TL-42.

4/19/2023

17. Interest Rate Swaps – Libor Index Transition

RESOLUTION NO. 23-4-55
APPROVING ADHERENCE TO THE ISDA FALLBACK PROTOCOL WITH THE
INTERBANK OFFERED RATES (IBOR)

WHEREAS, the District has two one-month London Interbank Offered Rate (LIBOR) Index-based fixed payer interest rate swaps which hedge a portion of its variable rate debt portfolio.

WHEREAS, regulators in the United Kingdom and the United States announced their intent to discontinue the LIBOR Index,

WHEREAS, the New York Federal Reserve committee has recommended the Secured Overnight Funding Rate (SOFR) to be used as the intended Fallback Rate replacing LIBOR which will be discontinued on June 30, 2023.

WHEREAS, staff has advised that an option is currently available which will facilitate the transition into the new SOFR rate with swap counterparty Citibank N.A. with an amendment to the swap agreements.

WHEREAS, the Administration and Finance Issues Committee of this Board has recommended approval of adherence to the International Swaps and Derivatives Association's LIBOR Fallback Protocol and facilitation of the transition into the new Fallback Rate when LIBOR is discontinued on June 30, 2023, by approving the swap agreement amendment with Citibank,

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby approve the adherence to the International Swap and Derivatives Association 2020 LIBOR Fallback Protocol for the District's \$82.55 million notional fixed payer interest rate swaps with Citibank by approving the Fallback Amendment Agreement.

18. Director Tablet / Laptop Reimbursement Program

RESOLUTION NO. 23-4-56
ADOPTING REVISED DIRECTOR TABLET DEVICE / LAPTOP COMPUTER
REIMBURSEMENT PROGRAM

WHEREAS, pursuant to Resolution No. 11-3-42 adopted March 16, 2011, OCWD adopted an iPad reimbursement program for the acquisition of Apple iPads by Directors; and

WHEREAS, staff has advised there are now more mobile options for viewing digital Board Agendas and recommends revising the policy to include any type of tablet device or laptop computer; and

WHEREAS, the Administration and Finance Issues Committee of this Board has reviewed and recommended adoption of a revised Director Tablet Device / Laptop Computer Reimbursement Program to include any type of tablet device or laptop computer;

4/19/2023

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby adopt the revised Director Tablet Device / Laptop Computer Reimbursement Program as follows:

DIRECTOR TABLET / LAPTOP REIMBURSEMENT PROGRAM

The Board of Directors relies on receiving digital Board agenda packets and related materials in preparation for District Board meetings. Tablet devices / laptops are to be used for receiving and reviewing digital District Board agenda packets and other District documents, eliminating the need to copy and courier paper agenda packets to Directors. By eliminating the printing and delivery by courier of paper packets, and receiving the packets via iPads, the cost of each iPad was offset by an annual savings in paper, duplication, and mailing costs. Participation in the reimbursement program is at the discretion of each Director.

DIRECTOR TABLET / LAPTOP REIMBURSEMENT PROGRAM

Program Principles

1. As part of their job function, Directors are encouraged to receive their Board agenda packets in digital form.
2. The District would make available a one-time reimbursement per term of office to Directors for the purchase, operation and maintenance of a tablet device or laptop computer.
3. The reimbursement is \$702.
4. Under the provisions of the reimbursement, the District would not provide Directors with a paper Board agenda packet and supporting documentation on a regular basis.
5. The reimbursement policy will be reviewed every three years for potential adjustment.
6. The reimbursement would be provided at the discretion of each Director.
7. Since Board packets can be accessed using Wi-Fi, Directors, at their option, would subscribe to a mobile data plan at their own expense.

Procedure

1. Directors shall submit to the Board President an "Tablet Device or Laptop Computer Reimbursement Request" in the form of Schedule "A" attached. A separate application will be required for each term of office.
2. Once the application has been reviewed and accepted, the Director will either receive a reimbursement payment specified on the "Tablet Device or Laptop Reimbursement Request" form.

Director Bilodeau left at this point in the meeting.

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MATTER FOR CONSIDERATION

19. Proposed Fiscal Year 2023-24 Budget

Treasurer/CFO Randy Fick recalled that the proposed FY 2023-24 budget has been reviewed in detail with the Board and the Groundwater Producers over the past two months. He reported that the budget expenditures total \$269.4 million and reviewed the various budget components. The Board then took the following action approving the FY 2023-24 budget.

Upon motion by Director Amezcua, seconded by Director Meeks, the following resolution was adopted [8-0].

Ayes: Amezcua, Green, Meeks, Nguyen, Rowe, Tran, Whitaker, Yoh
Absent: Bilodeau, Sheldon,

RESOLUTION NO. 23-4-57
APPROVING FISCAL YEAR 2023-24 BUDGET

WHEREAS, the Orange County Water District Board of Directors has reviewed the proposed OCWD Budget for fiscal year 2023-24 as presented by the General Manager and District Chief Financial Officer/Treasurer;

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby approve and adopt the fiscal year 2023-24 budget expenditures as follows:

- \$ 101.3 million General Fund
- \$ 6.2 million Water Purchase Fund
- \$ 44.4 million Debt Service Fund
- \$ 101.1 million Capital Improvement Program
- \$ 0.6 million Retiree Health Insurance Fund
- \$ 0.3 million New Capital Equipment Fund
- \$ 15.5 million Replacement and Refurbishment Fund

INFORMATIONAL ITEMS

20. Community Action Partnership of OC – Low Income Housing Water Assistance Program

Sylvia Dang from Community Action Partnership of Orange County provided an overview of the organization and the utility assistance program it provides which is available to residents of Orange County.

21. Water Resources Summary

General Manager Mike Markus provided an update on water behind Prado Dam.

22. Santa Ana Watershed Project Authority Commission Activities

Director Whitaker updated the Board on recent SAWPA activities.

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23. 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.

- Apr 06 Communication and Legislative Liaison Committee
- Apr 10 GWRS Steering Committee
- Apr 12 Water Issues Committee
- Apr 13 Administration and Finance Issues Committee

24. Verbal Reports

President Green thanked staff for organizing the GWRS Dedication Ceremony which was held at OCWD on April 14th.

25. RECESS TO CLOSED SESSION

The Board recessed to Closed Session at 6:30 p.m.as follows:

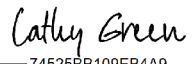
CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – [Government Code Section 54956.9(a)] -
 Irvine Ranch Water District v. OCWD, et al. - Superior Court Case
 No. 03CC 00078246

RECONVENE IN OPEN SESSION

The Board reconvened in Open Session at 7pm whereupon General Counsel Jungreis stated no reportable action took place in Closed Session.

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 7:03 p.m.

DocuSigned by:

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 Cathy Green, President

DocuSigned by:

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 Christina Fuller, District Secretary