

MINUTES OF MEETING
BOARD OF DIRECTORS, ORANGE COUNTY WATER DISTRICT
May 6, 2020, 5:30 p.m.

President Sarmiento called to order the May 6, 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 District Secretary called the roll and reported a quorum as follows. Due to the Governor's Executive Order N-25-20, members of the Board participated telephonically from remote locations. Director Sarmiento attended in person. Public access was also provided telephonically.

Directors

Denis Bilodeau (via teleconference)
Jordan Brandman (via teleconference)
Cathy Green (via teleconference)
Dina Nguyen (via teleconference)
Kelly Rowe (via teleconference)
Vicente Sarmiento (attended in person)
Stephen Sheldon (via teleconference)
Tri Ta (via teleconference)
Roger Yoh (via teleconference)
Ahmad Zahra (via teleconference)

Staff

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

VISITOR PARTICIPATION

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

CONSENT CALENDAR

Director Ahmad requested discussion of Item No. 3, *State Legislative Update*. The balance of the Consent Calendar was approved upon motion by Director Green, seconded by Director Ta and carried [9-0] by roll call vote as follows, with the following partial abstention:

Director Brandman - Item No. 3, *Cash Disbursements* - items relating to the *Orange County Conservation Corps* due to a current business relationship.

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

Abstain: Brandman - partial abstention on Item No. 3

Absent: Nguyen

1. Approval of Cash Disbursements

MOTION NO. 20-47
APPROVING CASH DISBURSEMENTS

Payment of bills for the period April 9, 2020 through April 29, 2020 in the total amount of \$11,234,529.01 is ratified and approved.

2. Approval of Minutes of Board Meeting

MOTION NO. 20-48
APPROVING MINUTES OF BOARD MEETING

The minutes of the Board of Directors meetings held March 18 and April 1, 2020 are approved as presented.

3. Prado Shooting Areas: Results of Revised Risk Evaluation and Approval of Amendment No. 3 to AECOM Agreement

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

ITEMS RECOMMENDED FOR APPROVAL AT RETIREMENT COMMITTEE MEETING
HELD APRIL 28, 2020

4. Retirement Committee Employee Vacancy Appointments

MOTION NO. 20-49
APPROVING EMPLOYEE APPOINTMENTS ON THE RETIREMENT COMMITTEE

The following employee appointments to the Retirement Committee are hereby approved:

- 1) Sitting Member – Vishav Sharma (reappointed for two-year term)
- 2) First Alternate – Kevin O'Toole (reappointed for one-year term)
- 3) Second Alternate – Jana Safarik (reappointed for one-year term)

5. 457(b) Deferred Compensation Plan Investment Line-Up Review and 401(a) Red Flag Fund Review

MOTION NO. 20-50
APPROVING ACTIONS WITH REGARD TO 457(B) DEFERRED COMPENSATION PLAN INVESTMENT LINE-UP AND 401(A) MONEY PURCHASE PENSION PLAN RED FLAG FUND REVIEW, AND RECEIVING AND FILING 401(A) MONEY PURCHASE RETIREMENT PLAN AND 457(B) DEFERRED COMPENSATION PLAN INVESTMENT PORTFOLIOS

The following actions in connection with the 457(b) Deferred Compensation Plan Investment Line-up Review and the 401(a) Money Purchase Pension Plan Red Flag Fund Review are hereby approved; and the 401(a) Money Purchase Pension 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	Keep Red Flag
Federated MDT Small Cap Core Instl	QISCX	Red Flag
401 (a) Portfolio		
Carillon Scout Mid Cap I	UMBMX	Keep Red Flag
BNY Mellon Midcap Index INV	PESPX	Remove and Map to MPSIX

6. CARES Act Options for Retirement Plans

MOTION NO. 20-51

APPROVING CARES ACT OPTIONS FOR OCWD RETIREMENT PLANS

WHEREAS, the Coronavirus Aid, Relief, and Economic Security Act of 2020 (CARES Act), which was signed into law on March 27, 2020, contains several provisions affecting retirement plans in the area of distributions and loans due to the impact and effects of the Coronavirus; and

WHEREAS, the District staff has reviewed these provisions with the District's legal counsel, its Retirement Advisor and the Retirement Advisory Committee, and the Retirement Committee has recommended approval of the following changes to the OCWD 457(b) and 401(a) retirement plans:

- 1) 457(a) Deferred Compensation Plan participants who are impacted by the coronavirus in 2020 are allowed to take a Coronavirus-Related Distribution (CRD) of up to \$50,000; and
- 2) 401(b) Money Purchase Pension Plan participants who are impacted by the coronavirus in 2020 are allowed to elect a one-year extension period for plan loan repayments on existing loans and temporarily increase maximum thresholds for retirement loans to the lesser of: 1) \$100,000 (increased from \$50,000), or 2) 100% (increased from 50%) of the participant's vested account;

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby approve the aforementioned changes as required by the Cares Act to the District's 457(a) and 401(b) retirement plans as outlined herein.

Director Nguyen arrived 5:43 p.m. during discussion of the following item, and President Sarmiento left meeting at 5:58 pm. during discussion of the following item.

ITEM REMOVED FROM THE CONSENT CALENDAR FOR CONSIDERATION

3. Prado Shooting Areas: Results of Revised Risk Evaluation and Approval of Amendment No. 3 to AECOM Agreement

Director Zahra requested referral of this item to next week's Administration and Finance Issues Committee for further discussion. The Board stressed the need to move forward quickly with this item given the significant cost savings to the District which will be achieved. Director Zahra moved to refer the item back to Committee. The motion failed on a vote of 3-7. (Ayes: Brandman, Sarmiento, Zahra. Noes: Bilodeau, Green, Nguyen, Rowe, Sheldon, Ta, Yoh). General Manager Markus then provided an overview of the contamination on the property, noting that the property has been leased for several decades for use as a shooting range. He stated the RI/FS will determine the amount of contamination and noted that the remediation is estimated to cost about \$2 million. Mr. Markus stated the Board previously took action requiring the Lessee to contribute toward a remediation fund which currently contains \$150,000. The Board then took the following action.

Upon motion by Director Zahra, seconded by Director Bilodeau, the following resolution was adopted [8-0] by roll call vote.

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

Absent: Nguyen, Sarmiento

RESOLUTION NO. 20-5-55

APPROVING AMENDMENT NO. 3 TO AECOM AGREEMENT FOR SUPPLEMENTAL REMEDIAL INVESTIGATION / FOCUSED REMEDIAL INVESTIGATION/FEASIBILITY STUDY AND REMEDIAL ACTION PLAN FOR THE PRADO SHOOTING AREAS

WHEREAS, the District staff has advised that it has been working with the California Department of Toxic Substances Control (DTSC) and AECOM to prepare a revised risk evaluation of the Prado Shooting areas; and

WHEREAS, staff has advised that revised evaluation has been completed for the Pigeon Hill, Pheasant Fields and Former Clay Target Range areas that indicates that the scale of cleanup needed is smaller than previously estimated for these three areas; and

WHEREAS, staff has also worked with DTSC to determine the scope of work to update the Remedial Investigation/Feasibility Study with these results and prepare the Remedial Action Plan; and

WHEREAS, pursuant to Resolution No. 15-10-141 adopted October 7, 2015, OCWD authorized Agreement No. 1321 with AECOM Technical Services, Inc. for a focused remedial investigation and feasibility study of such Prado shooting areas; and

WHEREAS, the District staff has recommended issuance of Amendment No. 3 to such agreement with AECOM to support a Supplemental Remedial Investigation, Focused Remedial Investigation/Feasibility Study and Remedial Action Plan for the Prado Shooting Areas for an amount not to exceed \$215,937;

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby authorize approval of the aforementioned Amendment No. 3 to Agreement No. 1321 with AECOM as described herein; and, upon approval as to form by District General Counsel, its execution by the District officers is authorized.

MATTER FOR CONSIDERATION

Director of Engineering Chris Olsen recalled that OCWD is currently working with its Producers and several consultants on multiple projects to identify the most efficient methods and systems to remove perfluoroalkyl substances (PFAS) from affected Producers' wells. He further recalled that in January of this year, the Board authorized a Request for Quotes for pre-purchasing up to 150 treatment vessels (75 treatment systems at 2 vessels per system). He stated staff received three proposals and, after review, recommends award of Agreements to Aqueous Vets for the purchase of 25 systems for a price not to exceed \$8,159,052 and to Evoqua and for the purchase of 30 systems for a price not to exceed \$11,020,220.

Mesa Water District Director Fred Bockmiller questioned why the systems from Evoqua cost more than the systems from Aqueous Vets on a per unit basis. Mr. Olsen explained that different alternatives were provided, and that Aqueous Vets gave a lower price for up to 25 systems and a higher price for up to 50 system. He stated that by choosing to go with the lower amount OCWD achieved a savings of about \$1 million so it made sense to split up the purchase.

Upon motion by Director Bilodeau, seconded by Director Rowe, the following resolution was unanimously adopted [8-0] by roll call vote as follows:

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

Absent: Nguyen, Sarmiento

RESOLUTION NO. 20-5-56 APPROVING PURCHASE OF PFAS TREATMENT VESSEL SYSTEMS FROM AQUEOUS VETS AND EVOQUA

RESOLVED, that the following agreements are authorized for the purchase of PFAS treatment pressure vessel systems: Agreement to Aqueous Vets for the purchase of 25 systems for a price not to exceed \$8,159,052 and Agreement to Evoqua and for the purchase of 30 systems for a price not to exceed \$11,020,220; and, upon approval as to form by District General Counsel, execution of such agreements by the District officers is authorized.

INFORMATIONAL ITEMS

8. PFAS Update

There was no further discussion of PFAS.

9. Santa Ana Watershed Project Authorities Activities

Director Rowe provided a brief update of SAWPA activities.

10. Committee/Conference/Meeting/Reports

The Board reported on the April 28 Retirement Committee noting the action agenda was included in tonight's Board packet.

VERBAL REPORTS

Directors Bilodeau, Brandman, Green, Ta, and Yoh reported on their attendance at the Groundwater Resources Association PFAS Conference (webinar) held April 27 through April 29.

RECESS TO CLOSED SESSION

General Counsel Jungreis advised that there was no need to recess to Closed Session to discuss the Northrop Corporation, et al litigation. The Board then adjourned to Closed Session at 6:23 p.m. as follows:

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

RECONVENE IN OPEN SESSION

The Board reconvened in Open Session at 6:38 p.m. whereupon General Counsel Jungreis announced that the Board took the following action in Closed Session by the unanimous vote of those present.

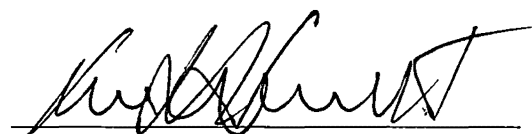
CS-20-5-1
APPROVING SETTLEMENT AGREEMENT WITH UNISYS IN THE CASE OF
OCWD v SABIC INNOVATIVE PLASTICS

RESOLVED, that in the case of *OCWD v. Sabic Innovative Plastics*, a final settlement is approved between *OCWD v. Unisys* the material terms of the which are that Unisys will pay OCWD \$1,000,000, agree to conduct the onsite remediation required by the Regional Water Quality Control Board, OCWD will agree not to oppose the Unisys request to the Regional Board for site closure absent new information regarding contamination, OCWD will have the right to take over Unisys monitoring wells at the Regional Board site closure, and Unisys will assign to OCWD any of its claims against third parties.

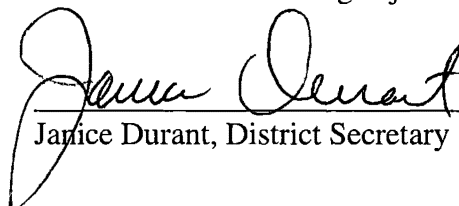
Ayes: Bilodeau, Brandman, Green, Rowe, Sheldon, Ta, Yoh, Zahra
Absent: Nguyen, Sarmiento

ADJOURNMENT

There being no further business to come before the Board the meeting adjourned at 6:39 p.m.



Vicente Sarmiento, President



Janice Durant, District Secretary