

MINUTES OF MEETING
BOARD OF DIRECTORS, ORANGE COUNTY WATER DISTRICT
June 19, 2019, 5:30 p.m.

President Sarmiento called to order the June 19, 2019 regular meeting of the Orange County Water District Board of Directors at 5:30 p.m. in the Boardroom at the District office. Following the Pledge of Allegiance to the Flag, the Assistant District Secretary called the roll and reported a quorum as follows.

Directors

Denis Bilodeau
Jordan Brandman
Cathy Green
Dina Nguyen
Kelly Rowe
Vicente Sarmiento
Stephen Sheldon (absent)
Tri Ta
Roger Yoh
Ahmad Zahra

Staff

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

VISITOR PARTICIPATION

Santa Margarita Water District Director Sandra Jacobs requested Board support for her election to the Orange County Local Agency Formation Commission (LAFCO).

Serrano Water District Director Greg Mills requested Board support for his election to the California Special Districts Association (CSDA) seat B.

CONSENT CALENDAR

The Consent Calendar was then approved upon motion by Director Green, seconded by Director Zahra and carried [9-0] as follows, with Director Brandman abstaining on Item No. 1, *Cash Disbursements* relating to *SageCrest Planning* (due to the Levine Act), and Item No. 10, *Agreement for On-Call Environmental Services*, (due to the Levine Act):

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

Absent: Sheldon

Abstain: Brandman (partial abstention on Item No. 1 and full abstention on Item No. 10)

1. Approval of Cash Disbursements

MOTION NO. 19-87
APPROVING CASH DISBURSEMENTS

Payment of bills for the period May 30, 2019 through June 12, 2019 in the total amount of \$5,120,985.79 is ratified and approved.

2. Approval of Minutes of Board Meeting

MOTION NO. 19-88
APPROVING MINUTES OF BOARD MEETING

The minutes of the Board of Directors meeting held May 1, 2019 are approved as presented.

3. Reverse Osmosis Membrane Cleaning Chemicals from American Water Chemicals, Inc.

RESOLUTION NO. 19-6-79
AUTHORIZING PURCHASE ORDER TO AMERICAN WATER CHEMICALS, INC. FOR
REVERSE OSMOSIS MEMBRANE CLEANING

RESOLVED, that issuance of a Purchase Order is authorized to American Water Chemicals, Inc. is authorized in the amount of \$132,066 for 48,000 pounds of AWC C-227 RO membrane cleaning chemical.

4. Santa Ana Watershed Project Authority Fiscal Years 2019-20 and 2020-21 Budgets

RESOLUTION NO. 19-6-80
APPROVING SAWPA BUDGETS FOR FISCAL YEARS 2019-20 AND 2020-21

WHEREAS, the Orange County Water District is a member agency of the Santa Ana Watershed Project Authority (SAWPA); and

WHEREAS, the Joint Exercise of Powers Agreement which created SAWPA requires approval by the District of the budget of SAWPA to the extent that such budget may impose any liability on the District; and

WHEREAS, the District staff has recommended approval of the SAWPA budgets for fiscal years 2019-20 and 2020-21 in the total amounts of \$1,526,966 and \$1,530,339, respectively, and has further recommended payment of the District's annual share of \$305,393 for 2019-20 and \$306,068 for 2020-21.

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby approve SAWPA's Budgets for Fiscal Years Ending 2020 and 2021, and authorizes payment to SAWPA of the District's member agency contribution as outlined herein.

ITEMS RECOMMENDED FOR APPROVAL AT COMMUNICATION AND LEGISLATIVE LIAISON COMMITTEE MEETING HELD JUNE 6, 2019

5. AB 402 Quirk (D-Hayward) State Water Resources Control Board: Local Primacy Delegation - Funding Stabilization Program
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MOTION NO. 19-89

ADOPTING "OPPOSE UNLESS AMENDED" POSITION ON AB 402 QUIRK AND AUTHORIZING TRANSMITTAL OF LETTER REQUESTING AN AMENDMENT TO BILL

A position of "Oppose unless amended" on AB 402 Quirk (D – Hayward), State Water Resources Control Board: Local Primacy Delegation - Funding Stabilization Program is hereby adopted, and staff is directed to transmit a letter to clarify that the State Water Resources Control Board will not assess a fee on all water systems to subsidize regulatory oversight costs of local primacy agencies (LPAS).

6. Proposed Additions to the OCWD 2019-2020 Legislative Goals and Platform

RESOLUTION NO. 19-6-81

ADOPTING ADDITIONS TO THE OCWD 2019-2020 LEGISLATIVE GOALS AND PLATFORM

The following policy positions are approved for inclusion under the "Water Quality" section in the OCWD 2019-2020 legislative goals and platform:

- Add subsection: Perfluorooctanoic acid (PFOA), perfluorooctane sulfonate (PFOS) and per- and polyfluoroalkyl substances (PFAS) and include the following positions:
- Support development of a maximum contaminant level (MCL) for perfluorooctanoic acid (PFOA), perfluorooctane sulfonate (PFOS) and per- and polyfluoroalkyl substances (PFAS) to be developed by 2020 by the United States Environmental Protection Agency.
- Support development of PFAS MCLs through a rigorous health-based, scientific approach that promotes consistency across the nation.
- Oppose legislation that sets PFAS MCLs in statute or other efforts that do not follow sound regulatory processes with stakeholder input.
- Advocate for state and federal funding to ensure that adequate funds are available to address costs associated with PFAS monitoring, research and potential groundwater treatment by OCWD and its groundwater producers

7. State Legislative UpdateMOTION NO. 19-90
ADOPTING POSITIONS ON LEGISLATION

The following positions on legislation are hereby adopted:

Bill No.	Topic	Recommendation
SB 200 Monning (D-Carmel)	Safe and Affordable Drinking Water Fund	Support
SB 204 Dodd (D-Napa)	State Water Project Contracts	Watch

8. Federal Legislative UpdateMOTION NO. 19-91
ADOPTING POSITIONS ON LEGISLATION

The following positions on legislation are hereby adopted:

Bill Number	Topic	Recommendation
H.R. 1976 (Kildee, D-MI)	PFAS Detection Act of 2019	Watch

ITEMS RECOMMENDED FOR APPROVAL AT WATER ISSUES COMMITTEE MEETING
HELD JUNE 12, 2019

9. Emergency Repair Work Order RatificationRESOLUTION NO. 19-6-82
RATIFYING EMERGENCY REPAIR WORK ORDER TO
W. A. RASIC CONSTRUCTION COMPANY, INC.

WHEREAS, pursuant to Resolution No. 18-3-25 adopted March 21, 2018, OCWD issued Agreement No. 1291 to W.A. Rasic Company for emergency on call repair services; and

WHEREAS, the District staff has advised of emergency repair work completed under Work Order No. 1 to such Agreement in January 2019 totaling \$10,773.17 to replace a leaking fire hydrant outside the Fountain Valley Administration Building;

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby ratify issuance of Work Order No. 1 as described herein for emergency repairs.

10. Agreements for On-Call Environmental Services

RESOLUTION NO. 19-6-83
AUTHORIZING RENEWAL OF AGREEMENTS FOR
ON-CALL ENVIRONMENTAL ANALYSIS

RESOLVED, that renewal of Agreements for on-call environmental analysis services with SageCrest, Psomas, and Environmental Science Associates are authorized for an additional term of three years, extending the termination date to August 31, 2022; and, upon approval as to form and content by District General Counsel, execution of such agreements by the District's officers is authorized.

11. Agreement with USC for Research Project on New Method for Measuring Total Organic Halogens to Assess Water Quality of UV/Advanced Oxidation Process

RESOLUTION NO. 19-6-84
AUTHORIZING AGREEMENT WITH USC FOR RESEARCH PROJECT ON NEW METHOD
FOR MEASURING TOX TO ASSESS WATER QUALITY OF UV/AOP PROCESS

RESOLVED, that issuance of an Agreement to the University of Southern California (USC) is authorized for an amount not to exceed \$30,000 for a research project on a new method for measuring TOX to assess water quality of UV/AOP process; and, upon approval as to form by District General Counsel, its execution by the District officers is authorized.

12. Purchase Order to Agilent Technologies for Service Support Agreement to Cover Gas Chromatographs and Gas Chromatographs/Mass Spectrometers

RESOLUTION NO. 19-6-85
AUTHORIZING PURCHASE ORDER TO AGILENT TECHNOLOGIES FOR RENEWAL OF
SERVICE SUPPORT AGREEMENT TO COVER GAS CHROMATOGRAPHS (GC) AND GAS
CHROMATOGRAPHS/ MASS SPECTROMETERS (GC/MS) IN THE LABORATORY

RESOLVED, that issuance of a Purchase Order is authorized to Agilent Technologies in the amount of \$113,276 for renewal of Support Service Agreement for Fiscal Year 2019-20, up to \$125,000 for FY20-21, and up to \$125,000 for Fiscal Year 2021-22.

13. Purchase Order to Hach for One EZ-ATP Analyzer for Research to Evaluate RO Integrity

RESOLUTION NO. 19-6-86
AUTHORIZING ISSUANCE OF PURCHASE ORDER TO HACH FOR ONE EZ-ATP
ANALYZER AND RELATED SUPPLIES

RESOLVED, that issuance of a Purchase Order is authorized to Hach for an amount not to exceed \$72,500 for one EZ-ATP analyzer and related supplies.

14. Project Funding Contract with Water Research Foundation for Study of Virus Log Removal in Wastewater Treatment

RESOLUTION NO. 19-6-87
AUTHORIZING AGREEMENT WITH WATER RESEARCH FOUNDATION
FOR STUDY OF VIRUS LOG REMOVAL

WHEREAS, the District staff has advised that OCWD was awarded \$75,000 funding from the Water Research Foundation (WRF) Subscriber Priority Research Program to evaluate virus log removal in wastewater treatment for potable reuse with study partners Orange County Sanitation District (OCSD), Michigan State University (MSU) and National Water Research Institute (NWRI), and

WHEREAS, demonstrating additional log removal values (LRVs) for virus removal via GWRS treatment would reduce the recycled water underground travel time requirements for pathogen control and thereby increase the number of viable future injection and recharge sites; and

WHEREAS, the funding award requires a minimum 1:1 cash match contribution from the District, which will be applied to sample analysis costs and District staff labor; and

WHEREAS, in this regard, the Water Issues Committee of this board has recommended approval of an agreement with WRF for the Subscriber Priority Research Program;

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

Section 1: The Water Research Foundation (WRF) Subscriber Priority Research Program Agreement is authorized; and, upon approval as to form and content by OCWD General Counsel; its execution by the District officers is authorized.

Section 2: Pre-payment to WRF of \$75,179 as research co-funding (District cash match) is authorized.

Section 3: An increase in the OCWD Research and Development Department budget for the unbudgeted portion of the study cost (\$153,234) is authorized.

15. MWD Future Supply Actions Funding Program with City of Fullerton: Demonstrating Virus Log Removal in Potable Reuse to Increase Regulatory Confidence

RESOLUTION NO. 19-6-88
AUTHORIZING AGREEMENT WITH CITY OF FULLERTON FOR
DEMONSTRATING VIRUS LOG REMOVAL

WHEREAS, the District staff has advised that demonstrating additional log removal values (LRVs) for virus removal via GWRS treatment would reduce the recycled water underground travel time requirements for pathogen control and thereby increase the number of viable future injection and recharge sites; and

WHEREAS, OCWD, in collaboration with the City of Fullerton, was successful in obtaining a grant from the Metropolitan Water District of Southern California (MWD) through their Future Supply Actions (FSA) Funding Program to conduct a Study entitled "Demonstrating Virus Log Removal in Potable Reuse to Increase Regulatory Confidence."

WHEREAS, in this regard, the Water Issues Committee of this Board has recommended approval of an agreement with the City of Fullerton for such MWD FSA Funding Program,

WHEREAS, the Water Issues Committee has further recommended issuance of Purchase Orders to contract laboratories and equipment suppliers for an amount not to exceed \$150,000 for the study;

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

Section 1: The City of Fullerton for MWD FSA Funding Program Agreement is approved; and, upon approval as to form and content by District General Counsel, its execution by the District officers is authorized.

Section 2: Issuance of Purchase Orders to contract laboratories and equipment suppliers for an amount not to exceed \$150,000 for the study is authorized.

ITEMS RECOMMENDED FOR APPROVAL AT ADMINISTRATION AND FINANCE ISSUES COMMITTEE MEETING HELD JUNE 13, 2019

16. Monthly Cash Control Report

MOTION NO. 19-92
RECEIVING AND FILING THE MONTHLY CASH CONTROL REPORTS

The Summary Cash and Cash Equivalents Control Reports dated May 31, 2019 are hereby received and filed.

17. Investment Portfolio Holdings Reports

MOTION NO. 19-93

RECEIVING AND FILING THE INVESTMENT PORTFOLIO HOLDINGS REPORTS

The Investment Portfolio Holdings Reports dated May 31, 2019 are hereby received and filed.

18. Publication of Notice Inviting Bids for OCWD Video Monitoring System Upgrades Project

MOTION NO. 19-94

AUTHORIZING PUBLICATION OF NOTICE INVITING BIDS FOR CONTRACT NO. FV-2019-1, VIDEO MONITORING SYSTEM UPGRADES PROJECT

Publication of a Notice Inviting Bids for Contract No. FV-2019-1, Video Monitoring System Upgrades Project, is authorized.

19. Agreement to Lillestrand Leadership Consulting for Staff Leadership Development

RESOLUTION NO. 19-6-89

APPROVING AGREEMENT TO LILLESTRAND LEADERSHIP CONSULTING FOR STAFF LEADERSHIP DEVELOPMENT

RESOLVED, that issuance of an Agreement is authorized to Lillestrand Leadership Consulting for an amount not to exceed \$39,500 for staff leadership development; and, upon approval as to form by District General Counsel, its execution by the District staff is authorized.

20. Amendment to Agreement to Anaheim Hills Patrol for Protective Guard Services

RESOLUTION NO. 19-6-90

APPROVING AMENDMENT TO AGREEMENT TO ANAHEIM HILLS PATROL FOR PROTECTIVE GUARD SERVICES FOR RECHARGE OPERATIONS

WHEREAS, pursuant to Resolution No. 17-11-149 adopted November 15, 2017, OCWD issued Agreement No. 1272 to Anaheim Hills Patrol to provide 24-hour protective guard services for OCWD Recharge Operations; and

WHEREAS, the Administration and Finance Issues Committee has recommended issuance of Amendment No. 1 to such Agreement for an amount not to exceed \$379,484 to continue to provide 24-hour security services for recharge operations for \$254,654 in FY2019-20; \$258,474 in FY2020-21; and for \$263,643 in FY2021-22;

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

21. Amendment to Agreement with Valley Cities/Gonzales Fence for On-Call Fence Repairs

RESOLUTION NO. 19-6-91
APPROVING AMENDMENT TO AGREEMENT WITH VALLEY CITIES/GONZALES
FENCE, INC. FOR ON-CALL FENCE REPAIRS FOR RECHARGE BASINS

RESOLVED, that issuance of an Agreement is authorized to Valley Cities/Gonzales Fence, Inc., for an amount not to exceed \$25,000 for on-call fence repairs for the recharge basins, for a period of two years with the option to renew for two years; and, upon approval as to form by District General Counsel, its execution by the District staff is authorized.

22. Coalition for Environmental Protection, Restoration and Development (CEPRD), Regional Reliability & Sustainability Project 97-005

RESOLUTION NO. 19-6-92
AUTHORIZING SUPPORT OF 97-005 COALITION FOR ENVIRONMENTAL PROTECTION,
RESTORATION AND DEVELOPMENT REGIONAL RELIABILITY & SUSTAINABILITY
PROJECT 97-005

WHEREAS, the Coalition for Environmental Protection, Restoration and Development (CEPRD) is now reviewing and updating California DPH Memo 97-005, which addresses the use of impaired water sources for drinking water following wellhead treatment;

WHEREAS, the District staff has advised that the update of this two-decade old policy has application for areas in California dealing with industrial contamination of the underlying aquifers, including Orange County; and

WHEREAS, the Administration and Finance Issues Committee of this Board has recommended that OCWD support the 97-005 CEPRD project in the amount of \$25,000;

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby authorize the General Manager to support the 97-005 Coalition for Environmental Protection, Restoration and Development CEPRD project as outlined herein.

23. Employment Agreement for Laboratory Technician for R&D Department

RESOLUTION NO. 19-6-93
APPROVING LIMITED TERM EMPLOYMENT AGREEMENT WITH
LABORATORY TECHNICIAN ANDREW HUANG

WHEREAS, the Administration Finance Committee of this Board has recommended approval of a Limited Term Employment Agreement with Laboratory Technician Andrew Huang for an amount not to exceed \$83,046 for a one-year period ending July 24, 2020;

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

24. RFP for Consulting Services for Risk and Resilience Assessments and Emergency Response Plans
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MOTION NO. 19-95
AUTHORIZING RFP FOR CONSULTING SERVICES FOR RISK AND RESILIENCE
ASSESSMENTS AND EMERGENCY RESPONSE PLANS

Issuance of a Request for Proposals is authorized for consulting services to prepare and complete risk and resilience assessments (RRAS) and emergency response plans (ERPS) for OCWD.

25. Citibank Class Action Lawsuit with State Attorneys General

RESOLUTION NO. 19-6-95
AUTHORIZING EXECUTION OF ELECTION TO PARTICIPATE
RELEASE AND CLAIM FORM AGAINST CITIBANK

WHEREAS, the District staff has advised of a class action lawsuit brought by various state attorneys against Citibank for misrepresenting information regarding the London Inter-bank Offered Rate (LIBOR), the rate used to determine what Citibank annually paid the District in a 2007 SWAP transaction; and

WHEREAS, staff has advised that OCWD would receive \$396,449.02 under such settlement; and

WHEREAS, the Administration and Finance Issues Committee of this Board has recommended OCWD join in such action;

NOW, THEREFORE the Board of Directors of the Orange County Water District does hereby approve execution by the Board President of the Election to Participate Release and Claim form for the Citibank class action lawsuit settlement with State Attorneys General.

26. California Special District Association (CSDA) Board of Directors Election – Southern Network, Seat B
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MOTION NO. 19-96
AUTHORIZING THE GENERAL MANAGER TO CAST OCWD BALLOT FOR
CSDA BOARD OF DIRECTORS ELECTION

The OCWD General Manager is hereby authorized to cast the OCWD ballot for Orange County Cemetery District Trustee Kelly Rivers for the California Special District Association (CSDA) Board of Directors election-Southern Network, Seat B.

MATTERS FOR CONSIDERATION

27. AB 756 (C. Garcia) Public Water Systems: Perfluoroalkyl Substances And Polyfluoroalkyl Substances (PFAS)

General Manager Mike Markus recalled that OCWD took an “oppose” position on this legislation at the March 7 Communications and Legislative Liaison Committee meeting because the Bill would have required a public water system to report the results to the public in a format that was in excess of existing water quality reporting methods. He reported that staff now recommends an “oppose unless amended” position in order to work with the Bill author and the Association of California Water Agencies (ACWA) to make this a two-year bill which would be beneficial to OCWD and its Groundwater Producers to allow sufficient time to possibly address concerns about the response level setting process. OCWD Legislative Consultant Jason Gonzalves provided an update on discussions which took place at the Senate Environmental Quality Committee today. He stated the Bill moved to the Senate Appropriations Committee, and that the potential costs to water agencies would be the main concern of the Appropriations Committee. Director Brandman suggested the District maintain its initial “oppose” position until there is more information and significant changes are made to the Bill. The following action was then taken.

MOTION NO. 19-97

ADOPTING OPPOSE POSITION ON STATE LEGISLATION

AB 756 (C. GARCIA) PUBLIC WATER SYSTEMS: PERFLUOROALKYL SUBSTANCES
AND POLYFLUOROALKYL SUBSTANCES (PFAS)

Upon motion by Director Ta, seconded by Director Zahra and carried [9-0], OCWD hereby confirms its position of “Oppose” AB 756 (C. Garcia) Public Water Systems: Perfluoroalkyl Substances and Polyfluoroalkyl Substances (PFAS).

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

Absent: Sheldon

28. Request for Proposals for PFAS Testing Support Services

Executive Director Jason Dadakis provided an update on the initial round of testing for per- and polyfluoroalkyl substances (PFAS), including both perfluorooctanoic acid (PFOA) and perfluorooctane sulfonate (PFOS), in response to monitoring orders received by 12 Groundwater Producers within the District’s service area. He reviewed the nine OCWD Groundwater Producers with one of more initial results greater than Division of Drinking Water (DDW) Notification Levels for PFOA or PFOS and provided an update on “Governing Body” notifications.

Director of Engineering Chris Olsen provided an update on PFAS Treatment Testing Support Services. He advised that staff met with four water treatment engineering consulting firms, each of whom have experts in the field of PFAS treatment. He stated that to support the Producers and test viable drinking water treatment options, staff has developed a request for proposals (RFP) for PFAS Treatment Testing Support Services that will provide beneficial information and data to our Groundwater Producers. Mr. Olsen then reviewed the scope of the RFP after which the following action was taken.

MOTION NO. 19-98
AUTHORIZING RFP FOR PFAS TESTING SUPPORT SERVICES

Upon motion by Director Green, seconded by Director Yoh and carried [9-0], issuance of a Request for Proposals (RFP) is authorized for PFAS Treatment Testing Support Services.

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

Absent: Sheldon

29. Renewal of 2019-20 Tax and Revenue Anticipation Notes

Executive Director John Kennedy recalled that each fiscal year, the Tax and Revenue Anticipation Notes (TRANs) must be reauthorized and executed to support the District's commercial paper program. He advised that the commercial paper program can be used for the purchase of water, large capital equipment, and capital projects among other purposes. Mr. Kennedy reported that this year's TRAN is in the aggregate amount of \$70 million which is an amount that does not exceed 85% of the District's estimated uncollected revenues from July 1, 2019 through June 30, 2020.

Upon motion by Director Green, seconded by Director Zahra the following resolution was unanimously adopted [8-0].

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

Absent: Nguyen, Sheldon

RESOLUTION NO. 19-6-94
AUTHORIZING THE EXECUTION AND DELIVERY OF TAX AND REVENUE
ANTICIPATION NOTES TO SUPPORT THE EXISTING ORANGE COUNTY WATER
DISTRICT COMMERCIAL PAPER PROGRAM

WHEREAS, the Board of Directors of the Orange County Water District (the "District"), a political subdivision duly organized and existing under and pursuant to the Constitution and laws of the State of California (the "State"), has entered into a commercial paper program through the OCWD Public Facilities Corporation (the "Corporation"); and

WHEREAS, to implement the commercial paper program, the Board of Directors of the Corporation has adopted a resolution (the "Corporation Resolution") providing for the execution and delivery of Orange County Water District Commercial Paper Notes (the "Commercial Paper Notes"); and

WHEREAS, in order to secure the Commercial Paper Notes, the District has issued tax and revenue anticipation notes in the aggregate principal amount of \$70,000,000 (the "Prior Notes"), pursuant to Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code for the fiscal year ending June 30, 2019; and

WHEREAS, in order to continue the commercial paper program relating to the fiscal year ending June 30, 2020, it is desirable to issue a tax and revenue anticipation notes to replace the Prior Notes.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE ORANGE COUNTY WATER DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Definitions. Unless the context otherwise requires, the terms defined in this Section shall have the meanings herein specified.

“Authorizing Law” means Article 7.6, Chapter 4, Part 1, Division 2, Title 5 of the California Government Code.

“Code” means the Internal Revenue Code of 1986, as amended, and the Regulations promulgated thereunder.

“Commercial Paper Notes” means Certificates issued pursuant to Resolution No. C-94-4-12 of the Corporation, adopted on April 20, 1994.

“Corporation” means the OCWD Public Facilities Corporation.

“District” means the Orange County Water District.

“Installment Purchase Agreement” means the Installment Purchase Agreement, dated as of July 1, 2009 by and between the Corporation and the District as amended and supplemented from time to time.

“Net Revenues” means Net Revenues as defined in the Installment Purchase Agreement.

“Notes” means the Tax-Exempt Notes and the Taxable Notes to be issued hereunder.

“Parity Obligations” means Bonds and Contracts, as defined in the Installment Purchase Agreement.

“Regulations” means the income tax regulations promulgated or proposed by the Department of the Treasury pursuant to the Code from time to time, including temporary regulations, to the extent applicable.

“Tax-Exempt Notes” means the Orange County Water District 2018-19 Tax-Exempt Tax and Revenue Anticipation Note to be issued hereunder.

“Taxable Notes” means the Orange County Water District 2018-19 Taxable Tax and Revenue Anticipation Note to be issued hereunder.

“Trustee” means U.S. Bank National Association, and any successor thereto.

Section 2. Issuance of the Notes; Amount; Terms; Interest Rate; Place of Payment.

Pursuant to the Authorizing Law, the Tax-Exempt Note and the Taxable Note shall be issued in an aggregate principal amount of \$70,000,000 which, when added to the interest payable thereon, will not exceed 85 percent of the estimated amount of the then uncollected taxes, income, revenue, cash receipts, and other moneys of the District which will be available for the payment of the Commercial Paper Notes and the interest thereon. A certificate of the Chief Financial Officer certifying to such effect, in the form attached hereto as “Exhibit C,” shall be completed by the Chief Financial Officer on or prior and as a condition to, the delivery of the Notes. The Tax-Exempt Note shall be designated “Orange County Water District 2019-20 Tax-Exempt Tax and Revenue Anticipation Note” and shall be dated the date of issuance thereof. The Taxable Note shall be designated “Orange County Water District 2019-20 Taxable Tax and Revenue Anticipation Note” and shall be dated the date of issuance thereof. The Notes shall be payable at the office of the District at such times and in such amounts as set forth in the Notes. The Notes shall mature and be payable no later than 15 months after their dates of issuance. The Notes shall bear a rate of interest which shall be determined on a daily basis and shall be a rate which when multiplied by the principal amount of such Notes outstanding on such day will be equal to interest accruing with respect to the respective Commercial Paper Notes outstanding on such day and shall be payable in

accordance with the form of the Notes.

The Notes shall be prepayable in whole or in part on any day on which the Corporation notifies the District that principal with respect to the Notes is due and payable and that the District declines to cause additional Notes to be sold to repay such maturing Note.

Section 3. Execution of the Notes. The President, First Vice President or Second Vice President is hereby authorized and directed to sign the Notes, by such officer's manual, printed, lithographed or facsimile signatures.

Section 4. Form of the Notes. The Notes shall be issued in substantially the form set forth in "Exhibit A" and "Exhibit B" attached hereto and incorporated herein and may be issued in typewritten form.

Section 5. Notes Non-Callable. The Notes are not subject to call and redemption prior to the maturity date thereof, except as set forth in Section 2 hereof.

Section 6. Security for the Notes; Pledge of Net Revenues. As security for the payment of the principal of and interest on the Notes, the District hereby pledges the Net Revenues of the District on a parity with payment of Parity Obligations of the District. The District hereby acknowledges that the Notes shall constitute "Bonds" for purposes of the Installment Purchase Agreement.

Section 7. Good Faith Estimates. The Board of Directors acknowledges that the good faith estimates required by Section 5821.1 of the California Government Code are disclosed in the staff report and are available to the public at the meeting at which this resolution is approved.

Section 8. Certified Copies. The District Secretary shall provide a certified copy of this document to the Chief Financial Officer who shall take such action as shall be necessary to assure compliance by the District with the terms and conditions hereof. The District Secretary shall further provide a certified copy of this document to the Trustee.

Section 9. Cancellation of Prior Notes. The Notes shall be executed and delivered simultaneously with the cancellation of the existing Prior Notes.

Section 10. Effective Date. This resolution shall take effect immediately.

INFORMATIONAL ITEMS

30. Santa Ana Watershed Project Authority Activities

There was no discussion of this item.

31. Monthly Water Resources Report

There was no discussion of this item.

32. 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.

- June 02 - Communication and Legislative Liaison Committee
- June 12 - Water Issues Committee
- June 13 - Administration and Finance Issues Committee

33. Verbal Reports

Director Yoh reported his attendance at the rededication of the Fairmont Booster Pump Station. Directors Rowe and Green reported their attendance at the Santa Ana Regional Water Quality Control Board hearing on June 14. Director Bilodeau advised that he met with with Assemblyman Choi on PFOS issues on June 14. Director Ta reported he participated in the Moulton Niguel Water District Water and Housing Forum at UCI.

General Manager Mike Markus stated the July Communications and Legislative Liaison meeting has been canceled due to the July 4 holiday.

RECESS TO CLOSED SESSION

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

CONFERENCE WITH REAL PROPERTY NEGOTIATOR

[Government Code Section 54956.8]

Real property located at: Parcels (2)

253-451-04 – 14971 East Ball Road, Anaheim, CA 92806

253-451-07 – 14893 East Ball Road, Anaheim, CA 92806

OCWD negotiator: Michael Markus

Negotiating parties: Majestic Realty Company SunCal

Under negotiation: Price and Terms


RECONVENE IN OPEN SESSION

The Board reconvened in Open Session at 7:15 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 7:15 p.m.


Christina Fuller, Assistant District Secretary


Vicente Sarmiento, President