

MINUTES OF MEETING  
BOARD OF DIRECTORS, ORANGE COUNTY WATER DISTRICT  
July 20, 2016, 5:30 p.m.

President Green called to order the July 20, 2016 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

Philip Anthony  
Denis Bilodeau  
Jordan Brandman (arrived 5:50 p.m.)  
Shawn Dewane  
Jan Flory  
Cathy Green  
Dina Nguyen  
Roman Reyna (arrived 5:45 p.m.)  
Stephen Sheldon  
Roger Yoh (arrived 5:50 p.m.)

Staff

Michael Markus, General Manager  
Joel Kuperberg, General Counsel  
Judy-Rae Karlsen, Assistant District Secretary

Employee of the Quarter Award

The Board presented the Employee of the Quarter Award to Supervising Chemist Lily Sanchez.

Director Reyna arrived at 5:45 p.m. during the following discussion.

VISITOR PARTICIPATION

Yorba Linda Water District Director Robert Kiley expressed support for OCWD and encouraged continued support for the preservation of the District Act and encouraged the Board to uphold its governing act.

Irvine Ranch Water District (IRWD) General Manager Paul Cook expressed his support for cooperative efforts between IRWD and OCWD. He reported he distributed a letter that restates IRWD's desire to work with the OCWD Board of Directors to develop a process and find solutions by executing a Tolling Agreement. Director Green requested that Mr. Cook deliver letters to the OCWD Board earlier in the day to allow the Board an opportunity to consider the information prior to the Board meeting.

Mesa Water District Director Ethan Temianka urged the OCWD Board of Directors to reject the Tolling Agreement and to continue making wise management decisions regarding the groundwater basin. He requested this matter be agendaized for discussion in open session.

CONSENT CALENDAR

Director Nguyen requested that Item No. 1, *Approval of Cash Disbursements*, be removed from the Consent Calendar. The remainder of the Consent Calendar was then approved upon motion by Director Dewane, seconded by Director Flory and carried [8-0] as follows:

Ayes: Anthony, Bilodeau, Dewane, Flory, Green, Nguyen, Reyna, Sheldon  
Absent: Brandman, Yoh

1. Approval of Cash Disbursements

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

2. Approval of Minutes of Board Meeting

MOTION NO. 16-93  
APPROVING MINUTES OF BOARD MEETING

The minutes of the Board of Directors meeting held June 15, 2016 are approved as presented.

3. Amendment to Agreement with Weber Water Resources for Deep Well Pump No. 3

RESOLUTION NO. 16-7-91  
APPROVING AMENDMENT TO AGREEMENT WITH WEBER WATER RESOURCES TO  
REPLACE WELL PUMP NO. 3

WHEREAS, pursuant to Resolution No. 16-3-22 adopted March 16, 2016, OCWD authorized an Agreement No. 1143 to Weber Water Resources for the removal, dismantling and the inspection of Deep Well Pump No. 3;

WHEREAS, the Water Issues Committee has recommended issuance of an Amendment to such Agreement in the amount of \$14,508.45 to replace the D-3 pump motor with a new premium efficiency motor;

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby approve issuance of the aforementioned Amendment to Agreement No. 1143 with Weber Water Resources as described herein; and, upon approval as to form by District General Counsel, its execution by the District officers is authorized.

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

4. Easement Deed to City of Anaheim for Transmission Water Main Pipeline

RESOLUTION NO. 16-7-92  
AUTHORIZING EASEMENT DEED TO THE CITY OF ANAHEIM  
FOR RELOCATION OF A TRANSMISSION WATER MAIN PIPELINE

RESOLVED, that issuance of an Easement Deed is authorized to the City of Anaheim to relocate a portion of a 12-inch transmission water main pipeline onto District property in two locations, one west of Alderdale Avenue, and the other northerly of Gayann Drive in Anaheim for an easement fee of \$1,500; and upon approval as to form by District General Counsel, execution and recordation of such Deed by the District officers is authorized.

5. On-Call Property Acquisition Services

RESOLUTION NO. 16-7-93  
AUTHORIZING NON-EXCLUSIVE AGREEMENTS WITH EPIC LAND SOLUTIONS  
AND PARAGON PARTNERS, INC. FOR ON-CALL PROPERTY ACQUISITION SERVICES

RESOLVED, that issuance of non-exclusive Agreements for On-Call Property Acquisition Services is authorized to Epic Land Solutions and Paragon Partners Ltd.

6. Amendment One to Lease Agreement with Corona Recreation, Inc. Modifying Lease Terms for House at Anaheim Lake

RESOLUTION NO. 16-7-94  
APPROVING AMENDMENT ONE TO LEASE WITH CORONA RECREATION  
FOR USE OF HOUSE AT ANAHEIM LAKE

WHEREAS, pursuant to Resolution No. 06-9-123 adopted September 20, 2006, OCWD approved a Lease with Corona Recreation, Inc. for use of the house on the Anaheim Lake property for a five year period;

WHEREAS, the Property Management Committee of this Board has presented and recommended Amendment One to such Lease extending the lease for an additional five year period through September 30, 2021;

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby approve the aforementioned Amendment One to the Lease with Corona Recreation as outlined herein; and, upon approval as to form by District General Counsel, its execution by the District's officers is authorized.

- 7. Consent to Corona Recreation, Inc. Second Amendment to Parking Sublease with Manheim Auctions, Inc. at Anaheim Lake

RESOLUTION NO. 16-7-95  
 APPROVING EXECUTION OF CONSENT TO PARKING  
 SUBLEASE AT ANAHEIM LAKE WITH CORONA RECREATION

WHEREAS, pursuant to Resolution No. 12-9-107 adopted September 5, 2012, and subsequently modified, OCWD approved a Consent to Parking Lease with Corona Recreation and Manheim Auctions Incorporated for parking vehicles in the parking lot on Miraloma Avenue at Anaheim Lake;

WHEREAS, the Property Management Committee of this Board has presented and recommended execution of Second Amendment to Parking Lease with Corona Recreation, Inc. for the use of Miraloma parking lot by Manheim Auctions, Inc. on Wednesdays only at a rental rate of \$1,100 for each day of parking, with 50% of the rent to be paid to OCWD;

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby approve the aforementioned Second Amendment to Lease with Corona Recreation as outlined herein; and, upon approval as to form by District General Counsel, its execution by the District’s officers is authorized.

CONSENT CALENDAR ITEMS RECOMMENDED FOR APPROVAL AT COMMUNICATIONS  
 AND LEGISLATIVE LIAISON MEETING HELD JULY 7

- 8. State Legislative Update

MOTION NO. 16-94  
 ADOPTING POSITIONS ON STATE LEGISLATION

The following legislative positions on state legislation are hereby adopted and staff is authorized to transmit letters to the authors of each bill.

<u>Bill</u>	<u>Sponsor</u>	<u>Position</u>
AB 2874	Gaines	Watch
SB 919	Hertzberg	Support

- 9. Multimedia Graphics Designer - Limited Term Agreement

MOTION NO. 16-95  
 APPROVING INCREASING FISCAL YEAR 2016-2017 BUDGET FOR  
 LIMITED-TERM AGREEMENT FOR MULTIMEDIA GRAPHICS DESIGNER

An increase to the Fiscal Year 2016-2017 budget is hereby approved in the amount of \$28,016 to fund a Limited Term Employment Agreement for a multimedia graphic designer, and staff is authorized to hire the multimedia graphics designer for an amount not to exceed \$77,240.

10. CSDA Board of Directors Election 2016 – Southern Region, Seat B

MOTION NO. 16-96  
CASTING BALLOT FOR BILL NELSON FOR CSDA BOARD OF DIRECTORS  
SOUTHERN REGION SEAT B

OCWD hereby casts its ballot for Bill Nelson for the California Special Districts Association (CSDA) Board of Directors – Southern Region, Seat B.

CONSENT CALENDAR ITEMS RECOMMENDED FOR APPROVAL AT WATER ISSUES COMMITTEE MEETING HELD JULY 13

11. Resolution of Support for City of La Habra’s Jurisdictional Modification to Bulletin 118 Basin Boundary

RESOLUTION NO. 16-7-96  
SUPPORTING CITY OF LA HABRA’S JURISDICTIONAL MODIFICATION TO  
BULLETIN 118 BASIN BOUNDARY PURSUANT TO EMERGENCY  
BASIN BOUNDARY REGULATIONS  
(CCR, Title 23, Division 2, Chapter 1.5, Subchapter 1)

WHEREAS, Governor Jerry Brown signed into law Senate Bills 1168 and 1319 and Assembly Bill 1739, collectively comprising the Sustainable Groundwater Management Act (SGMA), which took effect on January 1, 2015; and,

WHEREAS, the SGMA required Department of Water Resources (DWR) to develop emergency regulations describing the process for requesting changes to Bulletin 118 groundwater basin boundaries; and,

WHEREAS, the emergency regulations were adopted and incorporated into the CCR in Title 23, Division 2, Chapter 1.5, Subchapter 1; and,

WHEREAS, the Orange County Water District submitted a request for scientific external boundary modifications to DWR’s Bulletin 118 Basin 8-1 of the Coastal Plain of Orange County Groundwater Basin (OC Basin or Basin 8-1); and,

WHEREAS, the City of La Habra collaborated with, and supported the Orange County Water District on scientific boundary modifications to the OC Basin; and,

WHEREAS, the City of La Habra desires to pursue a jurisdictional boundary modification that follows the city limits of La Habra and Brea and is outside of Orange County Water District’s jurisdictional boundaries; and,

WHEREAS, the City of La Habra has agreed to participate in the Orange County Water District’s efforts to comply with SGMA through submission of an Alternative that will cover the entire OC Basin if La Habra’s basin modification is not approved by DWR on or before January 1, 2017; and,

WHEREAS, La Habra's agreement to participate in an Orange County Water District managed Alternative until such time as the Orange County Basin is modified will facilitate the District's timely submission of an Alternative to DWR prior to January 1, 2017; and,

WHEREAS, the DWR requires support from affected agencies within the same basin or sub-basin for jurisdictional boundary modifications; and,

WHEREAS, District staff do not believe that this proposed boundary modification will have any adverse effect on Orange County Water District.

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

The Orange County Water District supports the City of La Habra's request for an internal jurisdictional boundary modification in the Orange County Basin that follows the city limits of La Habra and Brea and is outside of Orange County Water District's jurisdictional boundary.

12. Notice Inviting Bids for Contract No. SAR-2017-2, Center Levee Corrugated Metal Pipe Transfer Pipes Repair Project

MOTION NO. 16-97  
AUTHORIZING PUBLICATION OF NOTICE INVITING BIDS FOR  
CONTRACT NO. SAR-2017-2, CENTER LEVEE CORRUGATED METAL PIPE  
TRANSFER PIPES REPAIR PROJECT

Publication of a Notice Inviting Bids for Contract No. SAR-2017-2, Center Levee Corrugated Metal Pipe Transfer Pipes Repair Project is authorized.

13. Notice Inviting Bids for Contract No. SAR-2017-1, Five Coves Rubber Dam Replacement Project

MOTION NO. 16-98  
AUTHORIZING PUBLICATION OF NOTICE INVITING BIDS FOR CONTRACT  
NO. SAR-2017-1, FIVE COVES RUBBER DAM REPLACEMENT PROJECT

Publication of a Notice Inviting Bids for Contract No. SAR-2017-1, Five Coves Rubber Dam Replacement Project is authorized.

14. Notice of Completion for Contract No. GA-2015-1, Perimeter Site Improvement of the Green Acres Project and City of Santa Ana Reservoirs (Parsam Construction, Inc.)

RESOLUTION NO. 16-7-97  
ACCEPTING COMPLETION OF CONTRACT NO. GA-2015-1 PERIMETER SITE  
IMPROVEMENT OF THE GREEN ACRES PROJECT AND CITY OF SANTA ANA  
RESERVOIRS (PARSAM CONSTRUCTION, INC.).

WHEREAS, the District staff has submitted its report that Parsam Construction, Inc. has completed work under Contract No. GA-2015-1, Perimeter Site Improvement of the Green Acres Project and City of Santa Ana Reservoirs; and

WHEREAS, staff has recommended that the District accept completion of said work and that a Notice of Completion be filed for recordation and the balance of payment be made, pursuant to the terms and conditions of such contract;

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

Section 1: Work under such contract is accepted as complete and District staff is authorized and directed to execute a Notice of Completion and record said Notice in the Office of the County Recorder.

Section 2: Upon expiration of the interim lien period, providing no liens have been filed, payment of the balance due under such contract shall be made.

15. Resolution Establishing a Revised Retention Time Buffer Area around Kraemer, Miller, Miraloma and La Palma Basins

RESOLUTION NO. 16-7-98  
ESTABLISHING A REVISED BUFFER AREA EXCLUDING NEW DRINKING WATER  
WELLS NEAR KRAEMER, MILLER AND MIRALOMA BASINS

WHEREAS, the primary mission of the Orange County Water District (hereinafter referred to as the "District") is to manage Orange County's major groundwater supply in the Lower Santa Ana River Groundwater Basin, including protection of the quality and quantity of the waters within the Orange County Groundwater Basin (Basin); and

WHEREAS, the District is operating the Groundwater Replenishment System (GWRS), which is a seawater intrusion barrier and water supply project that produces recycled water to recharge the Basin via injection at the Talbert Gap Seawater Intrusion Barrier and surface spreading at the District's Kraemer, Miller, Miraloma, and La Palma Basins; and

WHEREAS, the District has performed groundwater level monitoring, water quality sampling, and related hydrogeologic investigations and has conducted extensive groundwater age-dating and tracer studies to determine groundwater flow paths and levels and effects of recharging GWRS water at Kraemer, Miller, Miraloma, and La Palma Basins; and

WHEREAS, the California Regional Water Quality Control Board (RWQCB), Santa Ana Region on March 12, 2004, adopted Order No. R8-2004-0002, which incorporates recommendations from the California Department of Public Health (CDPH) and is the discharge permit that establishes water recycling requirements for the GWRS, including groundwater recharge and reuse at the Talbert Gap Seawater Intrusion Barrier and the Kraemer/Miller Recharge Basins; and

WHEREAS, RWQCB Order No. R8-2004-0002 requires that the District adopt a resolution designating a buffer area and requesting that the Orange County Well Standards Advisory Board establish criteria to prevent construction of drinking water wells in the buffer area; and

WHEREAS, the Orange County Well Standards Advisory Board advises Orange County Health Care Agency and the City of Anaheim on well permitting criteria, near Kraemer, Miller, Miraloma, and La Palma Basins; and

WHEREAS, the Board of Directors of the Orange County Water District in 2005 (Resolution No. R05-4-41) established the initial GWRS Buffer Area around Kraemer and Miller Basins based on groundwater tracer and hydrogeologic information available at that time as well as guidance from the RWQCB and CDPH; and

WHEREAS, the RWQCB on July 18, 2008, adopted Order No. R8-2008-0058, which amends Order No. R8-2004-0002 and states “a new condition has arisen that is likely to affect the Kraemer/Miller Basin recharge water flow paths”, which includes the District’s operation of a new recharge basin, La Jolla Basin, for Santa Ana River water or imported water recharge; and

WHEREAS, RWQCB Order No. R8-2008-0058 acknowledges that the District conducted a new tracer study to “define the 6-month underground travel time boundary from Kraemer Basin [which is farther downgradient than Miller Basin] under the new hydrologic conditions created by La Jolla Basin”; and

WHEREAS, the Board of Directors of the Orange County Water District in 2008 (Resolution No. 08-11-140) established a GWRS Revised Buffer Area around Kraemer and Miller Basins based on groundwater tracer and hydrologic information available at that time as well as guidance from the RWQCB and CDPH; and

WHEREAS, under RWQCB Order No. R8-2004-0002 and Amending Order No. R8-2008-0058, both CDPH and the RWQCB approved the recharge of GWRS water at Miraloma Basin and the associated revision of the previously-adopted GWRS Revised Buffer Area, on May 11, 2012 and May 31, 2012, respectively; and



WHEREAS, the Board of Directors of the Orange County Water District in 2012 (Resolution No. 12-7-83) rescinded Resolution No. 08-11-140 and established a new GWRS Revised Buffer Area around Kraemer and Miller Basins based on groundwater tracer and hydrologic information available at that time as well as guidance from the RWQCB and CDPH; and

WHEREAS, the RWQCB on December 12, 2014, adopted Order No. R8-2014-0054, which amends Order No. R8-2004-0002 and formally permits GWRS recharge at Miraloma Basin; and

WHEREAS, the State of California adopted Final Groundwater Recharge Reuse Regulations in June 2014 that state “for each month retained underground...the recycled municipal wastewater or recharge water will be credited with 1-log virus reduction”, and “the recycled municipal wastewater applied...shall be retained underground for a period of time necessary to allow a project sponsor sufficient response time to identify treatment failures and implement actions...necessary to protect public health...the response retention time shall be no less than two months”; and

WHEREAS, under RWQCB Order No. R8-2004-0002 and Amending Order No. R8-2008-0058, on May 30, 2014 CDPH approved the recharge of GWRS water at La Palma Basin and the associated updated revision of the previously-adopted GWRS Revised Buffer Area as presented in the March 2014 Orange County Water District GWRS Title 22 Engineering Report Supplement; and

WHEREAS, on March 15, 2015, the District’s Board of Directors certified the Final Environmental Impact Report for the La Palma Recharge Basin Project (State Clearinghouse No. 20140510762), for the development and operation of the La Palma Recharge Basin (the “La Palma Recharge Basin EIR”), and approved the 75% Design for the La Palma Recharge Basin Project and Related Matters. The La Palma Recharge Basin EIR analyzed the potential impacts of and proposed mitigation for the development and operation of the La Palma Basin, including modifications to the GWRS Revised Buffer Area to account for the introduction of GWRS water into the La Palma Basin; and

WHEREAS, the District has performed groundwater modeling based on updated hydrologic conditions, including the simulated operation of La Palma Basin, and that this information, together with the aforementioned groundwater tracer tests and Groundwater Recharge Reuse Regulations, warrant the revision of the previously-adopted GWRS Buffer Area around Kraemer and Miller Basins in a manner consistent with the analyses and conclusions in the March 2014 GWRS Title 22 Engineering and the La Palma Recharge Basin EIR; and

WHEREAS, under Tentative RWQCB Order No. R8-2016-0051, amending Order No. R8-2004-0002 and scheduled to be heard by the RWQCB at its July 22, 2016 meeting, the RWQCB will consider approval of the District’s proposal for recharge of GWRS water at La Palma Basin.

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

Section 1: In conjunction with its approval of the La Palma Recharge Basin Project, the Board of Directors heretofore certified the La Palma Recharge Basin EIR, adopted a Statement of Findings and Facts, a Statement of Overriding Considerations, and a Mitigation Monitoring and Reporting Program. The Board of Directors finds that any potential impacts resulting from the operation of the La Palma Recharge Basin with GWRS water, and the modifications to the Revised GWRS Buffer Area to reflect the use of GWRS water in the La Palma Recharge Basin, were fully analyzed in the La Palma EIR and addressed in the Statement of Findings and Facts adopted by the Board of Directors, and that none of the factors set forth in CEQA Guidelines §15162 warrant the preparation of any subsequent, supplemental or additional environmental documentation under the California Environmental Quality Act.

Section 2: The Orange County Water District rescinds Resolution No. 12-7-83 and replaces it with the subject resolution.

Section 3: The Orange County Water District establishes a new GWRS Buffer Area, which is shown on Figure 1 and delineated by 3-month primary and 4-month secondary underground retention times as estimated by the District's hydrogeology staff based on the latest groundwater modeling, tracer tests, and hydrological conditions from the GWRS recharge operation at the Kraemer, Miller, Miraloma, and La Palma Basins.

Section 4: The Orange County Water District opposes the use of groundwater for drinking water purposes that is produced from any well within the GWRS Buffer Area near Kraemer, Miller, Miraloma, and La Palma Basins.

Section 5: The General Manager is authorized and directed to send a copy of this resolution and a letter to the Orange County Well Standards Advisory Board, the Orange County Health Care Agency, and the City of Anaheim requesting that procedures be established to prevent construction of drinking water wells in the GWRS Buffer Area near Kraemer, Miller, Miraloma, and La Palma Basins as shown on Figure 1 and that the recycled water have an underground retention time of at least 3 months prior to withdrawal for drinking water use (primary buffer area) and at least 4 months prior to withdrawal to be approved without further study and potential mitigating activities prior to drinking water well construction (secondary buffer area), based on the provisions of the Final Groundwater Recharge Reuse Regulations adopted by the State of California in June 2014.

Section 6: District staff is authorized and directed to file a Notice of Determination with respect to the approval of this Resolution and the adoption of the new GWRS Buffer Area.

16. La Palma Recharge Basin Project: Amendment to Agreement No. 1110 with American Geotechnical, Inc. for Additional Testing Services

RESOLUTION NO. 16-7-99  
APPROVING AMENDMENTS TO AGREEMENT TO AMERICAN  
GEOTECHNICAL, INC. FOR GEOTECHNICAL TESTING AT LA PALMA RECHARGE BASIN

WHEREAS, pursuant to Resolution No. 16-5-59 adopted May 18, 2016, OCWD authorized Agreement No. 1110 to American Geotechnical, Inc. for construction of the La Palma Recharge Basin;

WHEREAS, the Water Issues Committee has recommended ratification of Amendment One to such Agreement in the amount of \$7,400 for additional time and materials testing services required for such Recharge Basin;

WHEREAS, the Water Issues Committee has further recommended issuance of Amendment Two to such Agreement in the amount of \$7,001.50 for additional geotechnical and materials testing services for such Recharge Basin;

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby ratify and approve issuance of the aforementioned Amendments Nos. One and Two to Agreement No. 1110 with American Geotechnical, Inc. as described herein; and, upon approval as to form by District General Counsel, its execution by the District officers is authorized.

17. Contract No. SAR-2014-1, Imperial Headgates and Weir Pond Rehabilitation: Change Orders to Pacific Hydrotech Corporation, and Amendments to Agreements with AKM Consulting Engineers and Carollo Engineers

RESOLUTION NO. 16-7-100  
APPROVING AGREEMENTS AND RATIFYING CHANGE ORDERS FOR  
CONTRACT NO. SAR-2014-1, IMPERIAL HEADGATES AND  
WEIR POND REHABILITATION PROJECT

WHEREAS, pursuant to Resolution No. 14-11-151 adopted November 19, 2014, OCWD authorized award of the Imperial Headgates and Weir Pond Rehabilitation Project to Hydrotech Corporation; and

WHEREAS, in connection with such project, Agreements were issued to AKM Consulting Engineers for construction management and inspection services and to Carollo Engineers for construction management and design services for such contract;

WHEREAS, the Water Issues Committee has recommended issuance of the following agreements and ratification of the following change orders in connection with such project:

- 1) Change Orders 1-10 to Pacific Hydrotech Corporation in the amount of \$256,651;
- 2) Amendment No. 2 to Agreement No. 1049 to AKM Consulting Engineers for an amount not to exceed \$169,574 for additional construction management and inspection services;

- 3) Amendment No. 4 to Agreement No. 867 to Carollo Engineers for an amount not to exceed \$26,171 for construction management and design services; and

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

Section 1: Issuance of Change Orders No. 1-10 to such contract are hereby ratified as outlined herein.

Section 2: Amendment No. 2 to Agreement No. 1049 with AKM Consulting Engineers is authorized for an amount not to exceed \$169,574 for additional construction management and inspection services for such Contract; and upon approval as to form by District General Counsel, its execution by District staff is authorized.

Section 3: Amendment No. 4 to Agreement No. 867 with Carollo Engineers is authorized for an amount not to exceed \$26,171 for construction and design services for such Contract; and upon approval as to form by District General Counsel, its execution by District staff is authorized.

- 18. Confidentiality Agreement with Dow Chemical Company Relating to Testing of Reverse Osmosis Membranes

RESOLUTION NO. 16-7-101  
AUTHORIZING CONFIDENTIALITY AGREEMENT WITH DOW CHEMICAL COMPANY  
FOR TESTING REVERSE OSMOSIS MEMBRANE MODULES

RESOLVED, that the Confidentiality Agreement with Dow Chemical Company is authorized for evaluating and testing reverse osmosis products from Dow Chemicals; and, upon approval as to form by District General Counsel, its execution by the District officers is authorized.

- 19. Agreement to Intera, Inc. to Extend Alamitos Groundwater Model for Sunset Gap Seawater Intrusion Analysis

RESOLUTION NO. 16-7-102  
AUTHORIZING AGREEMENT WITH INTERA, INC. FOR EXPANSION AND  
RECALIBRATION OF THE SUNSET GAP GROUNDWATER MODEL

RESOLVED, that issuance of an Agreement is authorized to Intera, Inc. for an amount not to exceed \$135,032 to expand and recalibrate the Alamitos Gap groundwater model into the Sunset Gap; and, upon approval as to form by District General Counsel, its execution by the District officers is authorized.

20. FY 2016/17 Coastal Pumping Transfer Program

MOTION NO. 16-99  
 SCHEDULING PUBLIC HEARING TO CONSIDER MODIFYING THE BASIN  
 EQUITY ASSESSMENT (BEA) FOR GROUNDWATER PRODUCERS THAT  
 PARTICIPATE IN THE FY16-17 COASTAL PUMPING TRANSFER PROGRAM

A public hearing to consider modifying the Basin Equity Assessment (BEA) for Groundwater Producers that participate in the Fiscal Year 2016-2017 Coastal Pumping Transfer Program is scheduled for August 3, 2016 at 5:30 p.m. at the District office.

21. FY 2016/17 Legal & Regulatory Support Expenditures North Basin & South Basin

RESOLUTION NO. 16-7-103  
 AUTHORIZING AGREEMENTS AND EXPENDITURES FOR LEGAL SERVICES RELATED  
 TO NORTH BASIN AND SOUTH BASIN GROUNDWATER  
 CONTAMINATION CASES DURING FISCAL YEAR 2016-2017

WHEREAS, pursuant to Resolution No. CS-14-7-1 adopted July 14, 2014, OCWD authorized a Legal Services Agreement with the Law Office of Scott A. Sommer for specialized legal services related to the North Basin groundwater contamination case, which was subsequently expanded to include legal support, regulatory agency coordination and technical forensic services as part of the OCWD v. Sabic et al. ("South Basin") litigation; and

WHEREAS, the Water Issues Committee has recommended issuance of the following payments and agreements in connection with the District's North Basin and South Basin legal cases is hereby authorized:

- 1) Payment to Law Offices of Scott A. Sommer for an amount not to exceed \$280,000 for time and materials (T&M) expenditures related to ongoing regulatory and legal support, including T&M expenditures for legal consultant Keith Takata;
- 2) Payment to Connor Fletcher and Hedenkamp for an amount not to exceed \$525,000 for T&M expenditures for oversight counsel and appellate services;
- 3) Cancellation of the Arent Fox Legal Services Agreement; and
- 4) General Manager is authorized to negotiate and execute a time and materials Agreement with the legal firm Larson O'Brien for legal advisory and support services; transfer remaining fiscal year 2015/16 Arent Fox expenditure approvals to Larson O'Brien; and authorize expenditures not to exceed \$40,000 for fiscal year 2016/17.

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby approve the aforementioned payments and agreements for fiscal year 2016/2017 and, upon approval as to form by District General Counsel, their execution by District staff is authorized:

22. Update on Approaches for Integrated Regional Water Management in Orange County

MOTION NO. 16-100

DIRECTING STAFF TO AGENDIZE ROLES AND RESPONSIBILITIES OF NEWPORT BAY WATERSHED EXECUTIVE COMMITTEE AND ADVISE SANTA ANA WATERSHED PROJECT AUTHORITY (SAWPA) GENERAL MANAGER TO AMEND PROPOSITION 1 IRWM GRANT ELIGIBILITY CRITERIA AND PROVIDE A DETAILED PROCESS FOR THE DEVELOPMENT OF ANOTHER REGION WITHIN THE SANTA ANA FUNDING AREA

In connection with the Integrated Regional Water Management in Orange County, OCWD staff is hereby directed as follows:

- 1) Agendize roles & responsibilities of Newport Bay Watershed Executive Committee for upcoming Board meeting and provide a calendar of meetings;
- 2) Advise SAWPA General Manager Celeste Cantu that Proposition 1 Integrated Regional Water Management (IRWM) grant eligibility criteria should be amended by adding the “gate” that a project should not provide improvements or benefits in one area at the expense or detriment of another area; and
- 3) Provide a detailed step-by-step process of the area within the County of Orange or a portion thereof becoming its own region within the Santa Ana Funding Area.

CONSENT CALENDAR ITEMS RECOMMENDED FOR APPROVAL AT ADMINISTRATION AND FINANCE ISSUES COMMITTEE MEETING HELD JULY 14

23. Monthly Cash Control Report

MOTION NO. 16-101

RECEIVING AND FILING SUMMARY CASH CONTROL REPORT

The Summary Cash and Cash Equivalents Control Report dated June 30, 2016 are hereby received and filed.

24. Investment Portfolio Holdings Reports

MOTION NO. 16-102

RECEIVING AND FILING INVESTMENT PORTFOLIO HOLDINGS REPORT

The Investment Portfolio Holdings Reports dated June 30, 2016 is hereby received and filed.

25. Amendment to Agreement to Corporate Image Maintenance for Janitorial Services

RESOLUTION NO. 16-7-104  
APPROVING AMENDMENT TO AGREEMENT WITH CORPORATE IMAGE  
MAINTENANCE FOR JANITORIAL SERVICES FOR THE FOUNTAIN VALLEY,  
ANAHEIM AND PRADO FACILITY SITES

WHEREAS, pursuant to Resolution No. 15-7-101 adopted July 15, 2015, OCWD authorized Agreement No. 1095 to Corporate Image Maintenance for janitorial services at the Fountain Valley, Anaheim and Prado facilities;

WHEREAS, the Administration and Finance Issues Committee has recommended issuance of an Amendment to such Agreement that provides for a two-year extension with the same terms and conditions for an increased amount of \$120,168 for the first year and \$125,820 for the second year;

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby approve issuance of the aforementioned Amendment to Agreement No. 1095 with Corporate Image Maintenance as described herein; and, upon approval as to form by District General Counsel, its execution by the District officers is authorized.

26. Limited-Term Employment Agreement for Postdoctoral Research Associate

RESOLUTION NO. 16-7-105  
AUTHORIZING LIMITED-TERM EMPLOYMENT AGREEMENT FOR  
POSTDOCTORAL RESEARCH ASSOCIATE SHANNON ROBACK

WHEREAS, the Administration and Finance Issues Committee has recommended issuance of a Limited-Term Employment Agreement to Postdoctoral Research Associate Shannon Roback for a one-year period commencing July 25, 2016;

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

ITEM REMOVED FROM THE CONSENT CALENDAR

1. Approval of Cash Disbursements

Director Nguyen requested that staff provide additional information about checks written to Wells Fargo Bank. Chief Financial Officer Randy Fick addressed Director Nguyen's questions and reported the checks to Wells Fargo were payroll-related. Following a brief discussion, Director Bilodeau stated he had a conflict of interest related to the Levine Act and would abstain from the vote on this matter. The Board then took the following action.

Upon motion by Director Nguyen, seconded by Director Anthony, the following resolution was adopted [7-0-1], with the following abstention by Director Bilodeau due to the Levine Act.

Ayes: Anthony, Dewane, Flory, Green, Nguyen, Reyna, Sheldon  
 Abstain: Bilodeau  
 Absent: Brandman, Yoh

MOTION NO. 16-103  
 APPROVING CASH DISBURSEMENTS

Payment of bills for the period June 30, 2016 through July 13, 2016 in the total amount of \$9,044,222.33 is ratified and approved.

Directors Brandman and Yoh arrived at 5:50 p.m. during the following discussion.

MATTERS FOR CONSIDERATION

27. Agreement with the United States Environmental Protection Agency for the North Basin Remedial Investigation and Feasibility Study

Special Projects Manager William Hunt reviewed the District's current relationship with the United States Environmental Protection Agency (EPA) and its role in the North Basin Remedial Investigation and Feasibility Study (RI/FS). He discussed the terms and conditions within the Administrative Settlement Agreement and reported a map has been added and some language has been modified since the first revision. Mr. Hunt advised the agreement has a limited scope of work focused on establishing US EPA oversight of the District's performance in the RI/FS that supports an interim groundwater remedy for controlling the highly contaminated water originating in the source area. He noted it is not a remedy for the entire North Basin plume, however at the conclusion of the RI/FS, the EPA will present a recommended remedy and the project will be NCP compliant. Mr. Hunt advised the preliminary cost estimate for the project will be approximately \$4 million and staff can seek relief in the form of CERCLA. The Board briefly discussed the matter and then took the following action.

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

Ayes: Anthony, Bilodeau, Brandman, Dewane, Flory, Green, Nguyen, Reyna, Sheldon, Yoh

RESOLUTION NO. 16-7-106  
 AUTHORIZING EXECUTION OF ADMINISTRATIVE SETTLEMENT AGREEMENT WITH  
 THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY FOR OVERSIGHT OF THE  
 NORTH BASIN REMEDIAL INVESTIGATION AND FEASIBILITY STUDY

RESOLVED, that the General Manager, or his/her designee, is hereby authorized to execute the Administrative Settlement Agreement with the United States Environmental Protection Agency for the oversight of the District's performance of the Remedial Investigation and Feasibility Study for groundwater contamination in the North Basin area.



## INFORMATIONAL ITEMS

28. Water Resources Report – June 2016

General Manager Markus briefly reviewed the June Water Resources Report and noted the following statistics: 1) Annual rainfall amounts; 2) Current overdraft is 373,000 acre-feet; 3) GWRS water production statistics; and 4) Annual water purchases.

29. Santa Ana Watershed Project Authority Activities

Director Anthony updated the Board on Santa Ana Watershed Project Authority meetings.

30. Groundwater Producer Meeting Minutes – July 13, 2016

There was no discussion of this item.

31. 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 24 - Property Management Committee
- July 07 - Communication and Legislative Liaison Committee
- July 11 - Groundwater Replenishment System Steering Committee
- July 13 - Water Issues Committee
- July 14 - Administration and Finance Issues Committee

## DIRECTORS REPORT

Director Anthony reported that Independent Special Districts of Orange County (ISDOC) will hold its bi-annual election of officers and requested that OCWD Directors consider a position on the ISDOC Board of Directors.

## ADJOURNMENT TO CLOSED SESSION

The Board adjourned to Closed Session at 5:58 p.m. as follows:

## CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

[Government Code Section 54956.9(a)] – one case:

Irvine Ranch Water District v. *OCWD, et al.* - Superior Court Case No. 30-2016-00858584-CU-WM-CJC

## RECONVENE IN OPEN SESSION

The Board reconvened in Open Session at 7:11 p.m. whereupon General Counsel Joel Kuperberg announced that the Board, by a vote of 6-4, took the following action in Closed Session:

RESOLUTION NO. CS-16-7-2  
AUTHORIZE GENERAL COUNSEL TO DEFEND THE DISTRICT  
IN THE *IRVINE RANCH WATER DISTRICT V. OCWD, ET AL.* LAWSUIT

Ayes: Bilodeau, Brandman, Dewane, Green, Reyna, Yoh  
Noes: Anthony, Flory, Nguyen, Sheldon


ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 7:11 p.m.



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Judy-Rae Karlsen, Assistant District Secretary



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Cathy Green, President