

MINUTES OF REGULAR MEETING  
BOARD OF DIRECTORS, ORANGE COUNTY WATER DISTRICT  
September 6, 2017, 5:30 p.m.

President Bilodeau called to order the September 6, 2017 regular meeting of the Orange County Water District Board of Directors at 5:30 p.m. in the Boardroom at the District office. Director Vanderbilt participated via teleconference from: California State University, Los Angeles, 5151 State University Drive, Los Angeles. Following the Pledge of Allegiance to the Flag, the District Secretary called the roll and reported a quorum as follows.

Directors

Philip Anthony  
Denis Bilodeau  
Shawn Dewane  
Cathy Green  
Dina Nguyen  
Vicente Sarmiento  
Stephen Sheldon  
James Vanderbilt (via teleconference)  
Bruce Whitaker  
Roger Yoh

Staff

Mike Wehner, Assistant General Manager  
Joel Kuperberg, General Counsel  
Janice Durant, District Secretary

VISITOR PARTICIPATION

Stephanie Pacheco provided the Board with an article written by Mary Ann Dickinson entitled "How Conservation Helps Keep Water Costs Down."

National Water Research Institute Executive Director Kevin Hardy invited the Board to attend the Clarke Prize Award Ceremony and Conference on October 19-20, 2017.

CONSENT CALENDAR

The Consent Calendar was approved upon motion by Director Green, seconded by Director Anthony and carried [10-0] by roll call vote as follows:

Ayes: Anthony, Bilodeau, Dewane, Green, Nguyen, Sarmiento, Sheldon, Vanderbilt, Whitaker, Yoh

1. Approval of Cash Disbursements

MOTION NO. 17-120  
APPROVING CASH DISBURSEMENTS

Payment of bills for the period August 10, 2017 through August 30, 2017 in the total amount of \$12,324,827.13 is ratified and approved.

2. Approval of Minutes of Board Meeting

MOTION NO. 17-121  
APPROVING MINUTES OF BOARD MEETING

The minutes of the Board of Directors meeting held August 2, 2017 are approved as presented.

3. Public Hearing to Consider BEA Partial Exemption for Huntington Beach Well No. 9

MOTION NO. 17-122  
SCHEDULING PUBLIC HEARING TO CONSIDER PARTIAL EXEMPTION  
FROM BASIN EQUITY ASSESSMENT FOR HUNTINGTON BEACH WELL NO. 9

Staff is directed to schedule a Public Hearing on October 4, 2017 to consider partially exempting City of Huntington Beach Well No. 9 from the Basin Equity Assessment (BEA).

4. Payment to MAG Aerospace for North Basin Litigation Expenses

MOTION 17-123  
AUTHORIZING PAYMENT TO MAG AEROSPACE FOR NORTH BASIN  
LITIGATION EXPENSES

Payment in the amount of \$110,736 is authorized to MAG Aerospace for litigation costs, including interest and filing fees, in connection with the OCWD vs. Northrop et al. litigation.

ITEMS RECOMMENDED FOR APPROVAL AT RETIREMENT COMMITTEE MEETING HELD  
AUGUST 22

5. Retirement Funds Investment Line-Up and 457(B) Plan Red Flag Fund Review

MOTION NO. 17-124  
APPROVING MONEY PURCHASE PLAN AND DEFERRED COMPENSATION PLAN  
INVESTMENT LINE-UP AND RED FLAG FUND REVIEW

The following changes to the investment fund line up for the 401(a) Money Purchase Plan and the 457(b) Deferred Compensation Plan are hereby approved:

INVESTMENT FUNDS	SYMBOL	ACTION
<b>401 (A) Portfolio</b>		
Tocqueville Gold Fund	TGLDX	Keep Red Flag
Oppenheimer Developing Markets Fund Class A	ODMAX	Keep Red Flag
JPMorgan Mid Cap Growth Fund Class A	OSGIX	Keep Red Flag
Fidelity® Low-Priced Stock Fund	FLPSX	Keep Red Flag
Putnam Equity Income Y	PEIYX	Remove Red Flag
<b>457 (B) Portfolio</b>		
Alger Spectra Fund Class I	ASPIX	Keep Red Flag
BlackRock Inflation Protected Bond Inv A	BPRAX	Red Flag

Director Vanderbilt disconnected from the meeting prior to the vote on the following item.

#### MATTER FOR CONSIDERATION

##### 6. Potential Sale of GWRS Water to City of Anaheim South Recycled Water Project

Executive Director John Kennedy recalled that OCWD has an existing agreement with Anaheim to purchase approximately 200 acre-feet per year of GWRS water for an electrical peaking power generation plant and approximately 121 acre-feet per year for the Anaheim Regional Transportation Intermodal Center (ARTIC). He noted that the agreement was prepared in a manner that allows the District to add new users to the system by amending Exhibit A to the agreement which contains the approved GWRS water users. Mr. Kennedy stated the City is requesting to add the Anaheim South Recycled Water project to Exhibit A. He advised that the Water Issues Committee directed staff to review the District costs included in the billing rate charged to Anaheim, and stated staff has determined that additional costs as described in the staff report to the calculated GWRS unit cost charged to Anaheim could be included in the billing rate. With these changes, Mr. Kennedy stated staff recommends allowing the connection of the Anaheim South Recycled Water project to the GWRS pipeline. The Board noted that the increased pumping of GWRS water in Anaheim improves the water quality of the basin, and stressed the need to ensure that staff costs from applicable District departments are included in the GWRS costs. After discussion, the Board took the following action.

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

Ayes: Anthony, Bilodeau, Dewane, Green, Nguyen, Sarmiento, Sheldon, Whitaker, Yoh

Absent: Vanderbilt

RESOLUTION NO. 17-9-115  
 AUTHORIZING AMENDMENT TO EXHIBIT A TO 2010 WATER SALES AGREEMENT WITH  
 CITY OF ANAHEIM TO PROVIDE WATER SUPPLY TO  
 ANAHEIM SOUTH RECYLED WATER PROJECT

WHEREAS, pursuant to Resolution No. 09-12-180 adopted December 19, 2009, OCWD authorized an agreement with the City of Anaheim *Regarding Distribution and Sale of Groundwater Replenishment System (GWRS) Water Supplied* providing for the sale of GWR System supplies to the Anaheim Electrical Generation Peaking Power Plant, (Canyon Power Plant); and

WHEREAS, pursuant to Resolution No. 11-7-105 adopted July 20, 2011, the OCWD Board approved Amendment of Exhibit A to such Agreement providing for the City to purchase approximately 121 acre-feet per year of additional GWRS water for the Anaheim Regional Transportation Intermodal Center (ARTIC) under which the City would be responsible for all costs associated with a new connection to the GWRS pipeline and OCWD would receive a site to locate a future injection well;

WHEREAS, the City has requested an additional Amendment to the aforementioned Exhibit A to the existing Water Sales Agreement to include the sale of GWRS water to the Anaheim South Recycled Water Project;

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

Section 1: Acting in the capacity of Responsible Agency under California Environmental Quality Act (CEQA), OCWD has considered the potential environmental effects of the Project as shown in the Mitigated Negative Declaration State Clearinghouse No. 2016061041 for the Project prepared by the City of Anaheim.

Section 2: Exhibit A to the existing Water Sales Agreement with the City of Anaheim is hereby amended to include the sale of GWRS water to the Anaheim South Recycled Water Project.

Section 3: The District staff is authorized and directed to file a Notice of Determination with respect to the District's approval of the Project as a Responsible Agency under CEQA.

Section 4: The District staff is directed to include the additional OCWD costs described in the staff report dated September 6, 2017, on file at the District office, to the calculated GWRS unit cost that is charged to the City of Anaheim.

#### INFORMATIONAL ITEMS

##### 7. Groundwater Quality Benefits From GWRS Recharge

Hydrogeologist Tim Sovich advised that staff mapped the geographic extent of low-TDS, high-quality GWRS water recharged at Kraemer-Miller-Miraloma Basins in Anaheim and surrounding the Talbert Barrier. He provided an overview of how the Recharged GWRS water has migrated nearly five miles along the fastest flow path in the Anaheim Forebay area and over one mile in the Talbert

Barrier area. Mr. Sovich noted that replenishment of the Basin over this large area with such high-quality GWRS water has improved the overall salt balance in the Basin and will reduce the salinity of groundwater produced from downgradient water supply wells.

8. Santa Ana Watershed Project Authority Activities

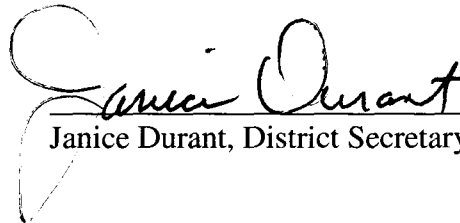
Director Anthony noted that SAWPA will be conducting interviews for a new General Manager at tomorrow's Commission meeting.

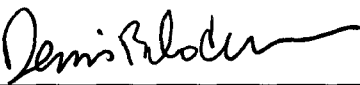
9. Committee/Conference/Meeting Reports

The Board reported on the August 29 Retirement Committee meeting.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 6:20 p.m.

  
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Janice Durant, District Secretary

  
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Denis Bilodeau, President