

MINUTES OF MEETING  
BOARD OF DIRECTORS, ORANGE COUNTY WATER DISTRICT  
September 7, 2016, 5:30 p.m.

President Green called to order the September 7, 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 District Secretary called the roll and reported a quorum as follows.

Directors

Philip Anthony  
Denis Bilodeau (not in attendance)  
Jordan Brandman  
Shawn Dewane  
Jan Flory  
Cathy Green  
Dina Nguyen  
Roman Reyna (arrived 5:57 p.m.)  
Stephen Sheldon  
Roger Yoh

Staff

Michael Markus, General Manager  
Joel Kuperberg, General Counsel  
Janice Durant, District Secretary

VISITOR PARTICIPATION

Surf City Voice Representative John Earl noted that at the last Board meeting he was asked a question by a Director that he was not allowed to answer. He provided examples of the tardiness to meetings of various Board members, stressing that Directors who are late for work should not be paid. With regard to live streaming of the meetings, he noted that he had collected a petition containing over 200 signatures calling for the Board to implement live streaming of its meetings as soon as possible.

El Toro Water District Director Mark Monin urged the Board to support his nomination for election to the position of Second Vice President of the Independent Special Districts of Orange County at its upcoming election.

Dan Copp Crushing President Jason Ayers advised that he was in attendance to answer any questions the Board might have regarding his lease renewal on tonight's Agenda.

Poseidon Vice President Scott Maloni provided a brief update on the status of the Poseidon Desalination Plant permit application.

CONSENT CALENDAR

The Consent Calendar was approved upon motion by Director Flory, seconded by Director Anthony and carried [8-0] as follows, with Director Brandman abstaining on payments made to *Townsend Public Affairs* in Item No. 1, Cash Disbursements Check No. 76230 due to the Levine

Act, and Director Nguyen abstaining on Item No. 10, Amendment to Pheasant Hunting Lease, due to her inner faith.

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

Absent: Bilodeau, Reyna

Abstain: Brandman – Item No. 1, Cash Disbursements Check No. 76230

Nguyen – Item No. 10, Amendment to Lease Agreement with Raahauge

1. Approval of Cash Disbursements

MOTION NO. 16-113  
APPROVING CASH DISBURSEMENTS

Payment of bills for the period August 11, 2016 through August 31, 2016 in the total amount of \$7,894,815.15 is ratified and approved.

2. Minutes of Board of Directors Meetings

MOTION NO. 16-114  
APPROVING MINUTES OF BOARD OF DIRECTORS MEETING

The minutes of Board of Directors meetings held August 3 and August 17, 2016 are hereby approved as presented.

3. Orange County Water District – Municipal Water District of Orange County Joint Water Supply Reliability Resolution

RESOLUTION NO. 16-9-113  
JOINT RESOLUTION OF THE BOARDS OF DIRECTORS OF  
THE MUNICIPAL WATER DISTRICT OF ORANGE COUNTY AND  
THE ORANGE COUNTY WATER DISTRICT  
TO SUPPORT MAXIMUM WATER SUPPLY RELIABILITY FOR THE ECONOMIC  
BENEFIT OF SHARED CUSTOMERS, COMMUNITIES,  
CONSTITUENTS AND CONSUMERS

WHEREAS, the Municipal Water District of Orange County (MWDOC) is a member agency of the Metropolitan Water District of Southern California; and

WHEREAS, the Orange County Water District (OCWD) is a special district created by the California State Legislature in 1933; and

WHEREAS, MWDOC and OCWD jointly serve millions of consumers in Orange County, CA, with MWDOC providing water for 3.1 million people and OCWD providing water for 2.4 million people; and,

WHEREAS, MWDOC and OCWD share headquarters in Fountain Valley, CA which allows for communication and coordination among the two agency’s Board of Directors and staff; and

WHEREAS, MWDOC and OCWD share 19 water agency members in north and central Orange County, with MWDOC serving an additional 9 water agency members in south Orange County;

NOW, THEREFORE, BE IT HEREBY JOINTLY RESOLVED by the Board of Directors of MWDOC and the Board of Directors of OCWD that both districts shall work together for the common purpose of sourcing, treating and transmitting safe, reliable, high-quality, affordable water supplies throughout Orange County.

BE IT FURTHER RESOLVED, DETERMINED, AND ORDERED AS FOLLOWS:

Section 1: The Board of Directors of MWDOC and OCWD shall collaborate on water resources planning to provide maximum water supply reliability and quality under all hydrological and seasonal weather conditions.

Section 2: The Board of Directors of MWDOC and OCWD shall work to build a consensus among its coalition of member agencies regarding water resources funding and planning for the economic benefit of customers, communities, constituents and consumers served by both agencies.

Section 3. The MWDOC Secretary and OCWD Secretary will transmit a certified copy of this resolution to members of both agencies.

- 4. Award of Contract No. SAR-2017-2, Corrugated Metal Pipe Transfer Pipes Repair Project to Sancon Engineering, Inc.

RESOLUTION NO. 16-9-114  
 AWARDING CONTRACT NO. SAR-2017-2, CORRUGATED METAL PIPE TRANSFER  
 PIPES REPAIR PROJECT TO SANCON ENGINEERING, INC.

WHEREAS, a Notice Inviting Bids for Contract No. SAR-2017-2, Corrugated Metal Pipe Transfer Pipes Repair Project, was published in *The Orange County Register* on August 9, 2016; and

WHEREAS, the following bids were received and opened on August 30, 2016:

|                                       |            |
|---------------------------------------|------------|
| Sancon Engineering, Inc.              | \$ 274,882 |
| Insituform Technologies, LLC.         | \$ 285,280 |
| Burtech Pipeline, Inc.                | \$ 298,000 |
| Southwest Pipeline & Trenchless Corp. | \$ 306,881 |

WHEREAS, the District staff has recommended award of said contract to the lowest responsive bidder, Sancon Engineering, Inc., in the amount of \$274,882;

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

Section 1: The Affidavit of Publication of Notice Inviting Bids for Contract No. SAR-2017-2, Corrugated Metal Pipe Transfer Pipes Repair Project, is received and filed.

Section 2: The lowest responsive bid of Sancon Engineering, Inc. in the amount of \$274,882 is accepted and all other bids are rejected.

Section 3: The District officers are authorized to execute an Agreement on behalf of the District, in a form heretofore approved by this Board with Sancon Engineering, Inc. to the terms of its proposal.

Section 4: The District General Counsel is authorized to approve the Performance and Labor and Materials Bonds submitted by said contractor on behalf of the District, provided the bonds comply with the requirements of the bid proposal.

Section 5: The District staff is directed to notify the unsuccessful bidder of the action taken herein and, upon execution of the agreement by the successful bidder, to return to the unsuccessful bidders their Bid Bonds.

5. Revised Agreement with US Environmental Protection Agency (EPA) for the North Basin Remedial Investigation & Feasibility Study (RI/FS)

RESOLUTION NO. 16-9-115

APPROVING REVISED AGREEMENT WITH THE US ENVIRONMENTAL PROTECTION  
AGENCY (EPA) FOR THE NORTH BASIN REMEDIAL INVESTIGATION &  
FEASIBILITY STUDY (RI/FS)

WHEREAS, pursuant to Resolution No. 16-7-106 adopted July 20, 2016, the OCWD Board authorized the General Manager 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; and

WHEREAS, subsequent to such approval, the OCWD staff has advised that the EPA has requested minor changes to such agreement and has submitted a revised Agreement accordingly which includes the word changes and revised dates; and

WHEREAS, the District staff has presented and recommended approval of such Revised 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; and

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby approve the revised Administrative Settlement Agreement with the United States Environmental

Protection Agency to oversee the District's performance of the Remedial Investigation and Feasibility Study for groundwater contamination in the North Basin area.

6. General Manager Compensation

MOTION NO 16-116  
APPROVING INCREASE IN GENERAL MANAGER COMPENSATION

The following changes in the General Manager's salary are hereby authorized: An increase in the base salary from \$251,000 to \$262,400 effective retroactively to July 1, 2016 and a \$24,000 contribution to the 457 retirement account.

7. 10<sup>th</sup> Annual Orange County Water Summit – Location & Date

MOTION NO. 16-116  
APPROVING 10<sup>th</sup> ANNUAL ORANGE COUNTY WATER SUMMIT

Hosting of the 10<sup>th</sup> Annual OC Water Summit at the Grand Californian Hotel at the Disneyland Resort on Friday, June 16, 2017 is hereby approved.

ITEM RECOMMENDED FOR APPROVAL AT RETIREMENT COMMITTEE MEETING  
HELD AUGUST 23, 2016

8. 401(A) Money Purchase Plan Investment Line-Up and 457 (B) Deferred Compensation Plan Red Flag Fund Review

MOTION NO. 16-117  
APPROVING 401(A) MONEY PURCHASE PLAN INVESTMENT LINE-UP AND 457 (B)  
DEFERRED COMPENSATION PLAN RED FLAG FUND REVIEW

The following fund changes in connection with the 401(a) Money Purchase Plan and the 457(b) Deferred Compensation Plan are hereby authorized, and the 401(a) Money Purchase Retirement Plan investment portfolio and the 457(b) Deferred Compensation Plan investment portfolio are hereby received and filed:

| <b>Fund 401 (a) Portfolio</b>               | <b>Symbol</b> | <b>Action</b>         |
|---|---------------|-----------------------|
| Ivy Science And Technology Fund Class Y     | WSTYX         | Remove & Map to MTCHX |
| MFS Technology R3                           | MTCHX         | Add                   |
| Franklin Small Cap Growth Fund              | FSSAX         | Red Flag              |
| JPMorgan Large Cap Growth Fund Class A      | OLGAX         | Remove & Map to TRIRX |
| TIAA-CREF Large Cap                         | TRIRX         | Add                   |
| Fidelity Advisor® New Insights Fund Class A | FNIAX         | Red Flag              |
| Oakmark Fund Class I                        | OAKMX         | Remove & Map to PAULX |
| T. Rowe Price US Large Cap Core Adv         | PAULX         | Add                   |
| Hotchkis & Wiley Capital Inc. Fund          | HWAIX         | Remove & Map to HLIEX |

|  |               |                       |
|--|---------------|-----------------------|
| JP Morgan Equity Inc                           | HLIEX         | Add                   |
| Putnam Income Fund Class A                     | PINCX         | Remove & Map to DLFNX |
| Double Line Core Fixed Income                  | DLFNX         | Add                   |
| Putnam Equity Income A                         | PEYAX         | Red Flag              |
|  |               |                       |
| <b>Fund 457(b) Portfolio</b>                   | <b>Symbol</b> | <b>Action</b>         |
| Ivy Science And Technology Fund Class Y        | WSTYX         | Remove & Map to SHGTX |
| Columbia Seligman Global Technology A          | SHGTX         | Add                   |
| Goldman Sachs Small/Mid Cap Grth Fund Class IR | GTMTX         | Remove & Map to JAENX |
| Janus Enterprise T                             | JAENX         | Add                   |

ITEMS RECOMMENDED FOR APPROVAL AT PROPERTY MANAGEMENT COMMITTEE MEETING HELD AUGUST 26, 2016

9. Renewal of Lease to Dan Copp Crushing Corporation

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

10. Amendment to Pheasant Hunting Lease to Elaine Raahauge D.B.A. Mike Raahauge's Shooting Enterprises at Prado Basin

RESOLUTION NO. 16-9-116  
 APPROVING AMENDMENT TO PHEASANT HUNTING LEASE  
 WITH ELAINE RAAHAUGE DBA  
 MIKE RAAHAUGE'S SHOOTING ENTERPRISES

WHEREAS, pursuant to Resolution No. 05-11-126 adopted November 2, 2005, as subsequently amended, the OCWD Board authorized a Lease to Mike Raahauge d.b.a. Mike Raahauge's Shooting Enterprises for continued use of certain District Prado lands for operation of a pheasant hunting concession, game bird raising, hunter safety classes, dog kennel operation, and for non-exclusive use of the clubhouse and roads for one-year terms, subject to annual renewal by mutual written consent of both the Lessee and Lessor; and

WHEREAS, pursuant to Resolution No. 13-10-128 adopted October 2, 2013, the OCWD Board approved the change of Lessee name to Elaine Raahauge d.b.a. Mike Raahauge's Shooting Enterprises; and

WHEREAS, the Property Management Committee of this Board has presented and recommended approval of Amendment Eleven to such Lease with Elaine Raahauge d.b.a. Mike Raahauge's Shooting Enterprises providing for a one-year extension of the Lease through September 30, 2017, with all terms and conditions of the Lease to remain the same;

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby approve the aforementioned Amendment Eleven to Lease with Elaine Raahauge d.b.a. Mike

Raahauge’s Shooting Enterprises as outlined herein; and, upon approval as to form by District General Counsel, it’s execution by the District officers is authorized.

11. Vector Control Services to West Valley Mosquito and Vector Control District

RESOLUTION NO. 16-9-117  
APPROVING CONTRACT FOR VECTOR CONTROL SERVICES TO WEST VALLEY  
MOSQUITO AND VECTOR CONTROL DISTRICT

RESOLVED, that Contract No. OCWDC021001 with West Valley Mosquito and Vector Control District (WVMVCD) is hereby approved providing for reimbursement to WVMVCD for vector control services during the period September 21, 2016 through June 30, 2021, at a fee of \$80 per hour plus the cost of products used on location.

12. Renewal of License with Southern California Edison for Talbert West End Improvement Project (Harper Park)

RESOLUTION NO. 16-9-118  
APPROVING RENEWAL OF LICENSE WITH SOUTHERN CALIFORNIA EDISON FOR  
THE TALBERT WEST END IMPROVEMENT PROJECT (HARPER PARK)

RESOLVED, that renewal of SCE License Contract No. 9.4176 (formerly Contract No. L3085) required for the Talbert West End Improvement Project (Harper Park) for a total fee of \$ 71,794 for a five-year period commencing November 1, 2016 is authorized; and, upon approval as to form by District General Counsel, it’s execution by the District officers is authorized.

13. YLWD Request for Lease for Proposed Water Well at Huckleberry Pond

RESOLUTION NO. 16-9-119  
APPROVING LEASE TO YORBA LINDA WATER DISTRICT FOR PROPOSED WATER  
WELL AT HUCKLEBERRY POND AND APPROVING EASEMENT DEED WITH CITY OF  
ANAHEIM FOR ELECTRICAL SERVICE AT YLWD WELL SITE NO. 22

WHEREAS, the Property Management Committee of this Board has recommended approval of a Lease with the Yorba Linda Water District (YLWD) to construct a groundwater production well and appurtenant pipeline and drain pipe at Huckleberry Pond, including a construction and maintenance area, for a term of 50 years with an expiration date of September 31, 2066; with rent to consist of a 6” water service connection and submeter for water, at no cost to the District, from YLWD Well No. 21 at Warner Basin, to fill District and its contractor’s water trucks; and irrigation of landscape area at Warner Basin; and

WHEREAS, the Property Management Committee has further recommended negotiation and execution by the General Manager of an Easement Deed with the City of Anaheim for electrical service at the YLWD Well Site No. 22;

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

Section 1: The aforementioned 50-year Lease with YLWD to construct a groundwater production well and appurtenant pipeline and drain pipe at Huckleberry Pond is approved as described herein.

Section 2: The General Manager is authorized to negotiate and execute an Easement Deed with the City of Anaheim for electrical service at the YLWD Well Site No. 22.

ITEM REMOVED FROM CONSENT CALENDAR FOR CONSIDERATION

9. Renewal of Lease to Dan Copp Crushing Corporation

Director Sheldon suggested this item be referred back to Property Management Committee for further discussion.

MOTION NO. 16-118  
REFERRING RENEWAL OF LEASE TO DAN COPP CRUSHING CORPORATION TO  
PROPERTY MANAGEMENT COMMITTEE FOR FURTHER REVIEW

Upon motion by Director Sheldon, seconded by Director Anthony and carried [8-0], renewal of the Lease to Dan Copp Crushing Corporation is hereby referred back to the Property Management Committee for further discussion.

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

Director Reyna arrived at 5:57 p.m. during discussion of the following item.

INFORMATIONAL ITEMS

14. MWD / Los Angeles County City of Carson Indirect Potable Reuse Project

Metropolitan Water District (MWD) representative John Bednarski advised that MWD is studying the feasibility of constructing a 150 mgd GWRS-type project in partnership with Los Angeles County Sanitation District in the City of Carson, noting that OCWD, via the construction of necessary pipelines, could receive 65,000 acre-feet per year of water from the project to recharge the groundwater basin. Mr. Bednarski reviewed the proposed project feasibility study progress and stated that a draft report is on schedule for review by the Advisory Panel in late September.

15. SAWPA Activities

Director Anthony gave a brief report on SAWPA activities.



16. 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.

August 23 - Retirement Committee  
August 26 - Property Management Committee

8. Verbal Report

There were no verbal reports given.

ADJOURNMENT TO CLOSED SESSION

The Board adjourned to Closed Session at 6:34 p.m. as follows:

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

[Paragraph (1) of subdivision (d) of Section 54956.9]: One (1) case  
*OCWD v. Northrop Corporation, et al* (North Basin VOC Litigation) Superior  
Court Case No. 04CC00715

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

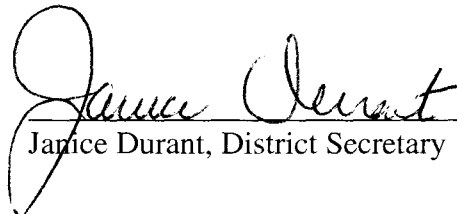
[Government Code Section 54956.9(a)]: One (1) case:  
*Irvine Ranch Water District v. OCWD, et al.* - Superior Court Case No. 30-2016-  
00858584-CU-WM-CJC

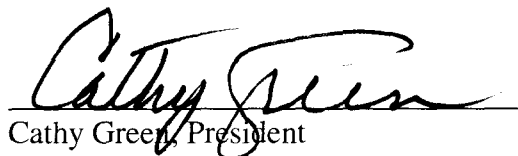
RECONVENE IN OPEN SESSION

The Board reconvened in Open Session at 7:04 p.m. whereupon General Counsel Kuperberg announced that the Board took no reportable action in closed session.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 7:04 p.m.

  
\_\_\_\_\_  
Janice Durant, District Secretary

  
\_\_\_\_\_  
Cathy Green, President