

MINUTES OF MEETING
BOARD OF DIRECTORS, ORANGE COUNTY WATER DISTRICT
October 7, 2015, 5:30 p.m.

President Green called to order the October 7, 2015 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 Secretary called the roll and reported a quorum as follows.

Directors

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

Staff

Michael Markus, General Manager
Joel Kuperberg, General Counsel
Janice Durant, District Secretary
Bruce Dosier, Stephanie Dosier, Randy Fick,
Roy Herndon, Bill Hunt, Don Jackson,
John Kennedy, Greg Woodside,
Nira Yamachika

Others:

Greg Yanagihara – City of Irvine
Ric Collett – Yorba Linda Water District
Tom McCarthy – City of Anaheim
Keith Lyon – Municipal Water District of Orange County
Jose Diaz – City of Orange
Richard and Betsy Eglash - Brady
Paul Weghorst – Irvine Ranch Water District

VISITOR PARTICIPATION

There were no visitors wishing to address the Board.

CONSENT CALENDAR

The Consent Calendar was approved upon motion by Director Anthony, seconded by Director Dewane and carried [9-0] as follows.

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

1. Approval of Cash Disbursements

MOTION NO. 15-145
APPROVING CASH DISBURSEMENTS

Payment of bills for the period September 10, 2015 through September 30, 2015 in the total amount of \$6,526,642.36 is ratified and approved.

2. Minutes of Board of Directors Meeting

MOTION NO. 15-146
APPROVING MINUTES OF BOARD OF DIRECTORS MEETING

The Minutes of the Board of Directors meeting held September 2, 2015 are hereby approved as presented.

3. Addition of Kaiser Medical Plans

RESOLUTION NO. 15-10-138
APPROVING ADDITION OF KAISER MEDICAL PLANS

RESOLVED, that the addition to the District’s medical plan offerings of the Kaiser HMO Plan for active employees and the Kaiser Senior Advantage Plan for retirees, effective January 1, 2016, is hereby ratified and confirmed.

4. Agreement to Griffin Dewatering Corporation to Lower Elevation of Santiago Basin

RESOLUTION NO. 15-10-139
AGREEMENT TO GRIFFIN DEWATERING CORPORATION TO
LOWER THE ELEVATION OF SANTIAGO BASIN

RESOLVED, that an agreement to Griffin Dewatering Company is authorized, if necessary, for \$204,010 to dewater the Santiago Recharge Basins in preparation for the winter storm season; and, upon approval as to form by District General Counsel, its execution by the District officers is authorized.

ITEMS RECOMMENDED FOR APPROVAL AT PROPERTY MANAGEMENT COMMITTEE MEETING HELD SEPTEMBER 25, 2015

5. Amendment to Permit Agreement to The Phoenix Club for Directional Sign at Ball Road Basin

RESOLUTION NO. 15-10-140
AUTHORIZING AMENDMENT TO PERMIT AGREEMENT TO THE PHOENIX CLUB FOR
DIRECTIONAL SIGN AT BALL ROAD BASIN

WHEREAS, pursuant to Resolution No. 2000-2-24 adopted February 16, 2000, as modified, the OCWD Board authorized issuance of a Permit to The Phoenix Club (Permittee) for the placement of a directional sign on District property at Ball Road Basin and Phoenix Club Drive for a five-year term expiring January 31, 2005; and

WHEREAS, The Phoenix Club subsequently removed such sign in 2006 as it did not comply with the City of Anaheim’s zoning code; and

WHEREAS, The Phoenix Club has advised that it has designed a new sign and is requesting that the District approve the sign and that the District sign the Development Application to the City of Anaheim Planning Services for the City to process its application for a Conditional Use Permit for the new sign; and

WHEREAS, the Property Management Committee of this Board has reviewed the issue and has recommended issuance of Amendment Two to such Permit to the Phoenix Club, Inc. approving the new directional sign at Ball Road Basin, subject to the Phoenix Club obtaining a Conditional Use Permit from the City of Anaheim; and deleting Permit Paragraph 2.1.1 (Rent for Additional Signs); and

WHEREAS, the Property Management Committee has further recommended that the OCWD General Manager be authorized to execute the aforementioned City of Anaheim Development Application;

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

Section 1: Amendment No. 2 to the aforementioned Permit with The Phoenix Club is authorized as outlined herein, and, upon approval as to form by District General Counsel, its execution by the District officers is authorized.

Section 2: The General Manager is authorized to execute the City of Anaheim Development Application as presented

- 6. Agreement to AECOM Technical Services, Inc. for Prado Shooting Range Area Focused Remedial Investigation and Feasibility Study

RESOLUTION NO. 15-10-141
AUTHORIZING AGREEMENT TO AECOM TECHNICAL SERVICES, INC. FOR PRADO SHOOTING RANGE AREA FOCUSED REMEDIAL INVESTIGATION AND FEASIBILITY STUDY

RESOLVED, that the General Manager is authorized to finalize negotiations and execute an Agreement with AECOM Technical Services, Inc. for an amount not to exceed \$222,938 for a focused remedial investigation and feasibility study of the Prado shooting areas.

- 7. Amendment to Shooting Range Lease with Elaine Raahauge dba Mike Raahauge’s Shooting Enterprises

RESOLUTION NO. 15-10-142
AUTHORIZING RENEWAL OF LEASE WITH ELAINE RAAHAUGE D.B.A. MIKE RAAHAUGE’S SHOOTING ENTERPRISES FOR SHOOTING RANGE AT PRADO BASIN

WHEREAS, pursuant to Resolution No. 95-2-21 adopted February 15, 1995, and Resolution No. 05-11-124 adopted November 2, 2005, as amended, the OCWD Board granted a lease to Mike Raahauge d.b.a. Mike Raahauge Shooting Enterprises to conduct trap and skeet and sporting clay shooting, game managed bird (pheasant) hunting, dog training and other related recreational activities, and farming of alfalfa, barley or beans, on 135 acres of District land on the North Bluff area at Prado Basin through December 31, 2015; and

WHEREAS, the Property Management Committee has recommended approval of Amendment No. 3 to the Lease Agreement with Elaine Raahauge d.b.a. Mike Raahauge's Shooting Enterprises that provides for a one-year extension of the shooting range lease through December 31, 2016, with all terms and conditions remaining the same;

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby approve the aforementioned Amendment No. 3 to the Lease Agreement with Elaine Raahauge d.b.a. Mike Raahauge Shooting Enterprises; and, upon approval as to form by District General Counsel, its execution on behalf of the District officers is authorized.

Director Bilodeau arrived at 5:45 p.m. during discussion of the following item.

MATTERS FOR CONSIDERATION

8. Direct Access Electricity Purchase for Groundwater Replenishment System

Executive Director William Dunivin stated that with the GWRS plant expansion complete, the use of electricity has increased proportionately. He stated that given the relatively low current price of energy, staff recommends purchasing two additional long-term blocks of fixed-price power from Constellation New Energy (CNE) to satisfy the entire GWRS plant need through the year 2021. Mr. Dunivin explained that OCWD has an existing contract with Constellation New Energy (CNE) to provide power from two "blocks," one peak block of 12 megawatts (MW) and one off peak block at 11 MW, and that power used above those blocks is bought on the hourly commodity market. He stated the total annual cost of energy for the GWRS plant with purchasing power from CNE and paying Southern California Edison (SCE) for delivery through the power grid is approximately \$11.5 million per year and, based on favorable market conditions and a desire for price certainty, staff recommends buying another large block of power at a fixed cost through the year 2021. General Manager Markus noted that staff is exploring the option of onsite power generation. The Board then took the following action.

MOTION NO. 15-147

AUTHORIZING SOLICITATION OF ELECTRICITY BID FROM CONSTELLATION NEW ENERGY AND AUTHORIZING GENERAL MANAGER TO PURCHASE ADDITIONAL POWER IF BIDS ARE FAVORABLE

Upon motion by Director Anthony, seconded by Director Dewane and carried [10-0], solicitation of an electricity bid from Constellation New Energy is authorized and the General Manager is authorized to purchase two additional long-term blocks of fixed-price power from Constellation New Energy if the bids are favorable, and is directed to report the results back to the Executive Committee.
Ayes: Anthony, Bilodeau, Dewane, Flory, Green, Nguyen, Reyna, Sheldon, Sidhu, Yoh

INFORMATIONAL ITEMS

A. Santa Ana Watershed Project Authority Activities

Director Anthony gave a brief update on the Ocean to Mountains Trail. He also reported that SAWPA adopted a resolution which pinpoints how the employees will pay their part of the PERS contribution.

B. Committee/Conference/Meeting Reports

Director Sidhu reported on the September 25 Property Management Committee meeting, noting the Action Agenda was included in tonight's Board packet.

VERBAL REPORTS

President Green reported on her meeting today with Director Yoh, Mike Markus, and Alicia Dunkin with the incoming Assembly Speaker. Director Anthony distributed seven potential projects for new water for OCWD for staff to explore and report back to the Board. Director Bilodeau reported on his recent trip to Australia to speak about GWRS to 130 engineers and scientists. He stated the Sydney Water Department is building a series of ocean desalination plants, and advised they have a different financial and operational procedure he would like to share with the Board at a later date. Director Flory noted she would attend an upcoming MWD tour.

ADJOURNMENT TO CLOSED SESSION

General Counsel Kuperberg advised that there was no need to adjourn to Closed Session to discuss the Western Riverside County Regional Wastewater Authority Wastewater Change Petition before State Water Resources Control Board (Petition No. WW-0067). The Board then adjourned to Closed Session at 5:55 p.m. as follows:

CONFERENCE WITH LABOR NEGOTIATORS [Government Code Section 54957.6]
 OCWD designated representative: Stephanie Dosier
 Employee Organization: Orange County Employee Association

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – [Government Code Section 54956.9(a)] – 3 cases:

- 1) *OCWD v. Northrop Corporation, et al* (North Basin VOC Litigation) Superior Court Case No. 04CC00715
- 2) *OCWD v. Sabic Innovative plastics, LLC, et al* (South Basin Litigation) Superior Court Case No. 03CC 00078246
- 3) *John Emeterio v. Yellow Jacket Driling Services, LLC, et al* Superior Court Case 30-2015-008-10440-CU-BC-CJC

RECONVENE IN OPEN SESSION

The Board reconvened in Open Session at 6:55 p.m. whereupon General Counsel Kuperberg announced that the Board took the following two actions in Closed Session.

RESOLUTION NO. CS-15-10-1

AUTHORIZING GENERAL COUNSEL TO FILE A PETITION FOR REVIEW SEEKING APPEAL OF THE DECISION OF THE CALIFORNIA PUBLIC EMPLOYMENT RELATIONS BOARD IN THE PENDING MATTER OF OCEA V. OCWD INVOLVING THE ISSUE OF THE MODIFIED AGENCY SHOP

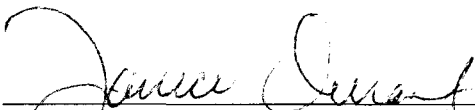
Ayes: Anthony, Bilodeau, Dewane, Flory, Green, Nguyen, Reyna, Sheldon, Sidhu, Yoh

RESOLUTION NO. CS-15-10-2
AUTHORIZING DEFENSE OF OCWD IN THE CASE OF EMETERIO V. YELLOW JACKET
DRILLING SERVICES

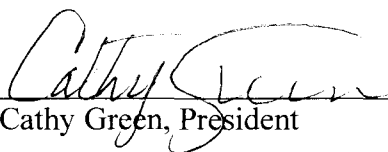
Ayes: Anthony, Bilodeau, Dewane, Flory, Green, Nguyen, Reyna, Sheldon, Sidhu, Yoh

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 6:56 p.m.



Janice Durant, District Secretary



Cathy Green, President