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

President Bilodeau called to order the July 5, 2017 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
Shawn Dewane
Cathy Green
Dina Nguyen
Vicente Sarmiento (absent)
Stephen Sheldon
James Vanderbilt
Bruce Whitaker
Roger Yoh

Staff
Mike Markus, General Manager
Joel Kuperberg, General Counsel
Janice Durant, District Secretary

VISITOR PARTICIPATION

There were no persons wishing to address the Board at tonight's meeting.

CONSENT CALENDAR

The Consent Calendar was approved upon motion by Director Anthony, seconded by Director Dewane and carried [9-0] as follows:
Ayes: Anthony, Bilodeau, Dewane, Green, Nguyen, Sheldon, Vanderbilt, Whitaker, Yoh
Absent: Sarmiento

1. Approval of Cash Disbursements

MOTION NO. 17-91
APPROVING CASH DISBURSEMENTS

Payment of bills for the period June 15, 2017 through June 28, 2017 in the total amount of $2,801,542.31 is ratified and approved.

2. Approval of Minutes of Board Meeting

MOTION NO. 17-92
APPROVING MINUTES OF BOARD MEETING

The minutes of the Board of Directors meeting held June 7, 2017 are approved as presented.

ITEMS RECOMMENDED FOR APPROVAL AT PROPERTY MANAGEMENT COMMITTEE MEETING HELD JUNE 23

3. Approval of Construction Drawings for Anaheim Coves Northern Extension Development by City of Anaheim at Five Coves Basin

MOTION NO. 17-93
APPROVING CONSTRUCTION DRAWINGS FOR ANAHEIM COVES NORTHERN EXTENSION DEVELOPMENT BY CITY OF ANAHEIM AT FIVE COVES BASIN

The Construction Plans for Anaheim Coves Northern Extension Development by City of Anaheim at Five Coves Basin are hereby approved.

4. Easement with The Irvine Company for Recycled Water Service Lateral to Enclave Apartments in Costa Mesa

RESOLUTION NO. 17-7-94
APPROVING EASEMENT WITH THE IRVINE COMPANY FOR RECYCLED WATER SERVICE LATERAL TO ENCLAVE APARTMENTS IN COSTA MESA

WHEREAS, staff has advised that The Irvine Company (TIC) plans to convert landscape irrigation service at the Enclave Apartment Community in Costa Mesa to recycled water which requires a new service lateral from the Green Acres Project (GAP) and the water meter will be located inside TIC private property and which requires an easement for the service lateral;

WHEREAS, staff has further advised that pursuant to the GAP agreements, the District is to take ownership of the service lateral up to the meter and be responsible for its maintenance after the construction performed by TIC is accepted by District's inspection of the facilities; and

WHEREAS, the Property Management Committee of this Board has reviewed and recommended acceptance of an Easement Deed from TIC that allows service lateral access and transfers ownership of the facility and maintenance responsibilities to the District;

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby accept the Easement Deed from The Irvine Company for the recycled water service lateral easement in Costa Mesa; and upon approval as to form by District General Counsel, its execution and recordation by the District officers is authorized.

5. Amendment to Duck Hunting Lease with Prado Basin Duck Club

RESOLUTION NO. 17-7-95
AUTHORIZING AMENDMENT TO LEASE WITH PRADO BASIN DUCK CLUB
FOR DUCK HUNTING AT PRADO BASIN

WHEREAS, pursuant to Resolution No. 03-5-71 adopted May 21, 2003, as amended annually, OCWD authorized issuance of a Lease to the Prado Basin Duck Club for duck hunting activities in the OCWD lower Prado Basin ponds through June 30, 2017; and

WHEREAS, the Property Management Committee of this Board has recommended issuance of Amendment No. 12 to such Lease with Prado Basin Duck Club to extend lease for a duck hunting concession at Prado Basin for the 2017/18 duck hunting season expiring June 30, 2018 and to provide that the Lessee pay an amount up to $8,000 per year for vector control costs;

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby approve the aforementioned Lease Amendment No. 12 with Prado Basin Duck Club as described herein; and, upon approval as to form by District General Counsel, its execution by the District's officers is authorized.

6. Budget Increase for Proposed Poseidon Resources Ocean Desalination Project

This item was removed from the Consent Calendar and considered next.

ITEM REMOVED FROM CONSENT CALENDAR FOR CONSIDERATION

6. Budget Increase for Proposed Poseidon Resources Ocean Desalination Project

The following individuals addressed the Board and expressed opposition to the proposed budget increase related to the Poseidon Desalination Project:

Fountain Valley resident Stephanie Pacheco stressed that the Poseidon Desalination Project water is up to four times the cost of GWRS water and requires the public to pay for the distribution infrastructure for water that the County does not need and will be forced to buy for 50 years.

Residents for Responsible Desalination (R4RD) President Merle Moshieri stated it would be premature for OCWD to spend any more rate payer dollars on studies. She urged the Board to wait for final State approval to see if there is a potential project and, if so, how the project may change to meet the State regulations.

Surf City Voice representative John Earl urged the Board to hold a public discussion on this item. He stated that OCWD has already spent a great deal of money on studies, and the public was precluded from hearing about alternatives to this project. He urged the Board to spend the additional funds to research and explore alternatives.

Costa Mesa resident Bill McCarty stressed that the proposed expenditure is not a good allocation of funds and urged the Board to table the project.

R4RD representative Joe Geever noted that four separate CEQA documents are currently being prepared for the proposed project and urged the Board to comply with the law. He stated that he does not believe a series of CEQA documents will survive scrutiny and stated it is premature to expend more funds on the project.

President Bilodeau clarified that staff is requesting an increase of $90,000 tonight which brings the total project budget to $320,000, and noted that he sees this expenditure as necessary to drive this to a final decision. Director Yoh recalled that during discussion of the last Poseidon expenditure approval, it was discussed that if the Coastal Pumpers reduce pumping, staff should look into the possibility of making all the Groundwater Producers whole by giving them additional wells to allow them to pump over the BPP. He asked if this was being looked at under the scope of work. General Manager Markus noted that this could certainly be included in the scope, noting that staff could most likely perform this analysis. Director Anthony expressed concern that it might be premature to spend additional funds at this point since OCWD does not know what the State will do with the project. Director Whitaker stressed that the additional costs should be borne by the for-profit company, not the public agency. Director Vanderbilt questioned whether grant funds were being sought for this project. Staff noted that Cal Desal is currently working on obtaining grant funds, and Director Green added that OCWD could also take advantage of the Water Infrastructure Finance and Innovation Act (WIFIA) program. The following action was then taken.

MOTION NO. 17-94
APPROVING BUDGET INCREASE FOR PROPOSED POSEIDON RESOURCES CITY OF HUNTINGTON BEACH OCEAN DESALINATION PROJECT

Upon motion by Director Dewane, seconded by Director Green and carried [6-3], with Directors Anthony, Vanderbilt, and Whitaker voting "No", an increase in the Poseidon project budget of up to $320,000 is authorized, and staff is authorized to hire consultants as necessary to continue evaluating the project.
Ayes: Bilodeau, Dewane, Green, Nguyen, Sheldon, Yoh
Noes: Anthony, Vanderbilt, Whitaker
Absent: Sarmiento

MATTER FOR CONSIDERATION

7. Status Update on the General Plan and Zone Change for the Ball Road Basin Property and Additional Services for Marketing the Property

Director Sheldon requested that discussion of this item be deferred for 30 days and asked Director Vanderbilt to get clear direction from the City of Anaheim regarding its intentions for this property. It was agreed to take this matter up at the August 16 meeting.

MOTION NO. 17-95
DEFERRING DISCUSSION OF THE GENERAL PLAN AND ZONE CHANGE FOR THE BALL ROAD BASIN PROPERTY AND ADDITIONAL SERVICES FOR MARKETING THE PROPERTY

Upon motion by Director Sheldon, seconded by Director Anthony and carried [9-0], discussion of the General Plan and Zone Change for the Ball Road Basin Property and Additional Services for Marketing the Property is hereby deferred to the August 16 Board meeting.
Ayes: Anthony, Bilodeau, Dewane, Green, Nguyen, Sheldon, Vanderbilt, Whitaker, Yoh
Absent: Sarmiento

INFORMATIONAL ITEMS

8. Santa Ana Watershed Project Authority Activities

There was no discussion of SAWPA activities.

9. Committee/Conference/Meeting Reports

Director Sheldon reported on the June 23 Property Management Committee meeting, noting the Action Agenda was included in tonight's Board packet.

VERBAL REPORTS

President Bilodeau reported that Silicon Valley Communications honored OCWD with the Gold PR World Award for the Children's Water Festival. Director Green reported that she and Director Whitaker rode in the City of Fountain Valley 60th anniversary parade on June 24. General Manager Markus reported that next week the MWD Board will take action on an in lieu program that will involve a credit, and, if adopted, will allow OCWD a credit of up to $200/af for in lieu water. Mr. Markus also announced that OCWD received the Governor's concurrence to proceed with NPL listing for the North Basin.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 6:10 p.m.

Janice Durant, District Secretary

Denis Bilodeau, President