



**FENNER VALLEY  
WATER AUTHORITY**

**AGENDA  
FENNER VALLEY WATER AUTHORITY  
BOARD OF DIRECTORS'  
SPECIAL BOARD MEETING**

**SANTA MARGARITA WATER DISTRICT BOARD ROOM  
26111 ANTONIO PARKWAY, RANCHO SANTA MARGARITA, CA 92688  
October 5, 2018  
8:30 a.m.**

*Upon Request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to Kelly Radvansky, at (949) 459-6642 at least 48 hours before the meeting if possible.*

**ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING**

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- 1. CALL MEETING TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**
- 3. ORAL COMMUNICATIONS**

Those wishing to address the Board of Directors on any items listed on the Agenda should submit a "request to be Heard" form to the Secretary before the Presiding Officer announces that agenda item. Your name will be called to speak at that time.

**4. CONSENT CALENDAR**

- 4.1 Consideration and Action on the Minutes of the July 26, 2018 Board Meeting.

**Recommendation:** Approve the Minutes.

**5. ACTION ITEMS**

- 5.1 Consideration and Action on an Agreement Between Fenner Valley Water Authority and Cadiz Inc. Regarding Safe Drinking Water for Disadvantaged Communities.

**Recommendation:** Approve the proposed agreement.

**6. INFORMATION ITEMS**

- 6.1 Cadiz Valley Water Conservation, Recovery and Storage Project Update.
- 6.2 Executive Director Report (verbal or written reports may be provided and shall be included in the record/minutes).
- 6.3 Directors' Reports of Outside or Other Meeting/Events (verbal or written reports may be provided and shall be included in the record/minutes).

**7. ATTORNEY'S REPORT**

**8. ADJOURNMENT**

The next Regular Board of Directors' meeting is scheduled for 8:30 a.m. on October 25, 2018 at the Santa Margarita Water District, 26111 Antonio Parkway, Rancho Santa Margarita, California.



**MINUTES  
FENNER VALLEY WATER AUTHORITY  
BOARD OF DIRECTORS'  
BOARD MEETING**

**SANTA MARGARITA WATER DISTRICT BOARD ROOM  
26111 ANTONIO PARKWAY, RANCHO SANTA MARGARITA, CA 92688**

**July 26, 2018  
8:30 a.m.**

**ATTENDEES**

Betty H. Olson	Director-Chair
Charles T. Gibson	Director-Vice Chair
Natasha Raykhman	Director
Daniel R. Ferons	Executive Director
Robert Grantham	Treasurer/FVWA
Ruben Duran	General Counsel/Best Best & Krieger
Kelly Radvansky	Secretary to the Board of Directors/FVWA
Erica Castillo	Controller/SMWD
Russell McGlothlin	Brownstein Hyatt Farber Schreck
Lee Odell	Jacobs Engineering Group
Miles Kenney	Kenney Geoscience
Terry Foreman	TLF Consulting, LLC
Roy Wolfe	Consultant
LaTonya Edwards	Plante Moran
Brian Camiller	Plante Moran

**1. CALL MEETING TO ORDER**

*The meeting was called to order by Chairwoman Olson at 8:30 a.m.*

**2. PLEDGE OF ALLEGIANCE**

*Dan Ferons, Executive Director, led the Pledge of Allegiance.*

**3. ORAL COMMUNICATIONS**

*There were no communications received and no requests to speak during this item.*

4. **CONSENT CALENDAR**

- 4.1 Consideration and Action on the Minutes of the April 26, 2018 Board Meeting.

**Recommendation:** Approve the Minutes.

**Motion:** Approve as recommended.

**Moved by:** Charles T. Gibson

**Seconded by:** Natasha Raykhman

**Ayes:** Gibson, Raykhman, Olson

**Unanimously approved**

5. **TREASURER ITEMS**

- 5.1 Treasurer Report and Plante Moran Financial Presentation.

*Brian Camiller and LaTonya Edwards from Plante Moran presented the Authority's financial information as provided in the Board package.*

- 5.2 Consideration and Action to Extend the Accounting Services Contract with Plante Moran for the Fiscal Year 2019.

**Recommendation:** Approve extending the contract with Plante Moran for FY 2019 to conduct accounting services for the Authority.

**Motion:** Approve as recommended.

**Moved by:** Charles T. Gibson

**Seconded by:** Natasha Raykhman

**Ayes:** Gibson, Raykhman, Olson

**Unanimously approved**

- 5.3 Consideration and Action on Annual Budget.

**Recommendation:** Approve annual budget in the amount of \$605,000.

*Chairwoman Olson asked what engineering projects are anticipated this year. Mr. Ferons said that a pilot project is anticipated, and as we work on determining the final water quality we'll work on finalizing an agreement with MET. Mr. Ferons also noted that the role of the Fenner Valley Water Authority is oversight and approval of engineering services such as review of plans, specifications, construction inspection, and compliance with the GMMMP. Cadiz will be contracting for the actual design and construction activity.*

**Motion:** Approve as recommended.  
**Moved by:** Natasha Raykhman  
**Seconded by:** Charles T. Gibson  
**Ayes:** Gibson, Raykhman, Olson  
**Unanimously approved**

- 5.4 Consideration and Action on Resolution 18-07-01; Resolution of the Board of Directors of Fenner Valley Water Authority Authorizing Opus Bank as the Depository Bank of Fenner Valley Water Authority.

**Recommendation:** Adopt Resolution No. 18-07-01.

*Robert Grantham, Treasurer, noted setting up the bank account will allow Plante Moran to perform regular accounting activities and Opus Bank meets the collateralization requirements under the government code.*

**Motion:** Approve as recommended.  
**Moved by:** Charles T. Gibson  
**Seconded by:** Natasha Raykhman  
**Ayes:** Gibson, Raykhman, Olson  
**Unanimously approved**

## **6. INFORMATION ITEMS**

- 6.1 Fiscal Year 2018 External Audit Selection.

*Mr. Grantham explained the proposal process and that the Authority is selecting Macias Gini & O'Connell, LLP, based on their proposal and the availability of the project manager.*

- 6.2 Cadiz Valley Water Conservation, Recovery and Storage Project Update.

*Lee Odell, Jacobs, updated the Board on the current pilot testing and the proposed nitrate removal pilot testing. The presentation is included in the administrative record.*

*Russell McGlothlin, Brownstein Hyatt Farber Schreck, addressed the Board's request for additional information on salinity benefits for south Orange County through introduction of project water; noting that it's something that they will continue to look at, but do not have any information now. Mr. McGlothlin said it will depend on the concentration of the Colorado River Aqueduct water to be received.*

*Chairwoman Olson requested the range of TDS. Mr. McGlothlin said they will look at TDS for reservoirs serving Orange County and how Cadiz water introduction*

*would benefit south Orange County; and the cost of cutting in half approximately 600 mgl TDS.*

*Vice Chair Gibson suggested additional information on the website.*

*Terry Foreman, TLF Consulting, LLC, and Miles Kenney, Kenney Geoscience, updated the Board on the Bonanza Spring.*

- 6.3 Executive Director Report (verbal or written reports may be provided and shall be included in the record/minutes).

*Mr. Ferons noted a draft of the engineering work plan will be provided at the September Board meeting for review.*

- 6.4 Directors' Reports of Outside or Other Meeting/Events (verbal or written reports may be provided and shall be included in the record/minutes).

*Vice Chairman Gibson noted that he is following developments at the federal level in connection with ACWA; and the availability of financing under WIFIA.*

7. **ATTORNEY'S REPORT**

*There was no report.*

8. **ADJOURNMENT**

The next Board of Directors' meeting is scheduled for 8:30 a.m. on August 23, 2018 at the Santa Margarita Water District, 26111 Antonio Parkway, Rancho Santa Margarita, California.

**Motion:** Adjourn the meeting.

**Moved by:** Charles T. Gibson

**Seconded by:** Betty H. Olson

**Ayes:** Gibson, Raykhman, Olson

**Unanimously approved**

The meeting closed at 10:17 a.m.



## FENNER VALLEY WATER AUTHORITY

### MEMORANDUM

**TO:** Board of Directors

**DATE:** October 5, 2018

**FROM:** Dan Ferons, Executive Director

**SUBJECT: Consideration and Action on an Agreement Between Fenner Valley Water Authority and Cadiz Inc. Regarding Safe Drinking Water for Disadvantaged Communities**

#### **SUMMARY**

**Issue:** There are a number of small water systems in rural desert communities that do not have access to safe drinking water. As a water supply company, Cadiz Inc. is interested in assisting these communities in accessing safe drinking water. Cadiz would like to work with the Fenner Valley Water Authority (FVWA) in administering facilities and/or financial resources to be used to assist the identified affected communities.

**Recommendation:** Approve the proposed agreement.

**Fiscal Impact:** There will be no direct fiscal impact of this agreement on FVWA. Some FVWA staff time will be required in administering these funds.

#### **DISCUSSION**

The Authority, in concert with Cadiz is reviewing a variety of technologies and strategies for development of regional reliable water supplies. The current efforts include sophisticated groundwater modeling, development of advanced monitoring techniques and innovative water treatment along with provision of a long-term supply. The water industry has a long history of collaboration and the Authority, as a partner in local and regional water supply opportunities is proposing to utilize its, and Cadiz's expertise in support of other water agencies, particularly disadvantaged communities.

Small water systems in rural desert communities can often suffer from poor water quality and water supply shortages and the proposed agreement is designed to bring solutions to Eligible Small Water Systems that provide clean, safe and affordable water. For the purposes of this Agreement, an eligible disadvantaged community is defined as a small water system that services Disadvantaged Communities and Severely Disadvantaged Communities. The Agreement provides

\$5 million in funding to be utilized to help interested agencies. The draft Agreement is being finalized and will be provided under separate cover prior to the Board meeting.