



**MINUTES OF THE
REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE EAST ORANGE COUNTY WATER DISTRICT (EOCWD)**

November 19, 2020

1. Call to Order. A Regular Meeting of the Board of Directors of the East Orange County Water District was called to order by Board President DOUGLASS DAVERT at 5:01 p.m. on Thursday, November 19, 2020, with Vice-President RICHARD BELL leading the Pledge of Allegiance. Pursuant to California Governor's Executive Order No. N-29-20, there was no public location for attending this board meeting in person. JEFF HOSKINSON, Secretary, recorded the minutes of the meeting, attending via videoconference.

The following Directors attended the meeting, pursuant to Executive Order N-29-20, via videoconference: RICHARD BELL, DOUGLASS DAVERT, JOHN SEARS and GEORGE MURDOCH. Director JOHN DULEBOHN was absent from this meeting until such time as noted herein.

Also present were:

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| LISA OHLUND | General Manager (Videoconference) |
| JERRY MENDZER | Operations Manager (Videoconference) |
| JEFF SMYTH | Engineering Manager (Videoconference) |
| JEFF HOSKINSON | District Secretary and Legal Counsel (Videoconference) |
| HON. JOHN LEWIS | Lewis Consulting (Videoconference) |
| JAYSON SCHMITT | Chandler Asset Management |
| ERIC O'DONNELL | Townsend and Associates |
| MARILYN THOMS | Solutions Project Management (Videoconference) |
| MIKE GRISSO | City of Tustin (Call-in) |
| ANNA SARABIAN | Fieldman Rolapp & Associates (Videoconference) |

An unidentified member of the public was also present for a substantial portion of the meeting.

2. Addition of Items Arising After Posting of Agenda Requiring Immediate Action.
(Requires 2/3 vote or unanimous vote if less than 2/3 of members are present).

ACTION TAKEN: None.

3. Public Communications to the Board. None presented, and Sylvia Prado confirmed that no public comments were received via e-mail.

4. Consent Calendar.

The Board, on motion from SEARS, seconded by MURDOCH, approved the Consent Calendar items, as follows, by a 4-0-1 roll call vote, with BELL, MURDOCH, SEARS and DAVERT voting aye, 0 nays, and 1 absence:

- A. Minutes.** THE MINUTES OF THE SEPTEMBER 17, 2020 REGULAR MEETING OF THE BOARD; OCTOBER 22, 2020 SPECIAL MEETING OF THE BOARD; AND NOVEMBER 11, 2020 SPECIAL MEETING OF THE BOARD WERE APPROVED AS SUBMITTED.
- B. General Manager's Report.** THE GENERAL MANAGER'S REPORT WAS RECEIVED AND FILED.
- C. 11.5MG Andres Reservoir Treatment System and Mixer Purchase.** THE BOARD RECEIVED THE REPORT FOR INFORMATION PURPOSES ONLY.
- D. VanderWerff Well: Test Well Drilling Project Notice of Exemption.** THE BOARD AUTHORIZED THE FILING OF A NOTICE OF EXEMPTION ("NOE") FOR THE VANDERWERFF WELL TEST WELL DRILLING PROJECT ("PROJECT") AS DESCRIBED IN THE DRAFT NOE, AND APPROVED THE PROJECT FOR PURPOSES FOR THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.
- E. Resolution of Appreciation for Municipal Water District of Orange County ("MWDOC") Board Member Joan Finnegan.** THE BOARD ADOPTED RESOLUTION NO. 891, ENTITLED: 'RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST ORANGE COUNTY WATER DISTRICT EXPRESSING APPRECIATION, COMMEMORATING, AND INVITING PUBLIC ATTENTION TO THE OUTSTANDING SERVICES RENDERED BY JOAN FINNEGAN AS A MUNICIPAL WATER DISTRICT OF ORANGE COUNTY BOARD MEMBER'.
- F. Resolution of Appreciation for Municipal Water District of Orange County ("MWDOC") Assistant Manager and District Engineer Karl Seckel.** THE BOARD ADOPTED RESOLUTION NO. 892, ENTITLED: 'RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST ORANGE COUNTY WATER DISTRICT EXPRESSING APPRECIATION, COMMEMORATING, AND INVITING PUBLIC ATTENTION TO THE OUTSTANDING SERVICES RENDERED BY KARL SECKEL AS A MUNICIPAL WATER DISTRICT OF ORANGE COUNTY ASSISTANT MANAGER AND DISTRICT ENGINEER'.
- G. Resolution of Appreciation for Tustin Council Member and Former Mayor Charles "Chuck" Puckett.** THE BOARD ADOPTED RESOLUTION NO. 893, ENTITLED: 'RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST ORANGE COUNTY WATER DISTRICT EXPRESSING APPRECIATION, COMMEMORATING, AND INVITING PUBLIC ATTENTION TO THE OUTSTANDING SERVICES RENDERED BY FORMER TUSTIN MAYOR CHARLES "CHUCK" PUCKETT'.

- H. **Resolution of Appreciation for Tustin Mayor Dr. Allan Bernstein.** THE BOARD ADOPTED RESOLUTION NO. 894, ENTITLED: 'RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST ORANGE COUNTY WATER DISTRICT EXPRESSING APPRECIATION, COMMEMORATING, AND INVITING PUBLIC ATTENTION TO THE OUTSTANDING SERVICES RENDERED BY TUSTIN MAYOR DR. ALLAN BERNSTEIN'.
- I. **COVID-19 Status Report.** THE BOARD RECEIVED AND FILED THE REPORT.
- J. **Per- and Poly-Fluoroalkyl Substances.** THE BOARD RECEIVED AND FILED THE REPORT.

5. Action/Presentation Calendar.

A. Investment Report - Chandler Asset Management. Jayson Schmitt made his bi-yearly presentation via teleconference, providing a national economic overview, as well as EOCWD investment portfolio since the start of the pandemic. The predominant theme through the summer and fall seasons has been that the economy is recovering, although unemployment rates are still above where they should be. Despite the pandemic, the housing market is on the rise, mainly due to lower interest rates. EOCWD's investment portfolio has maintained and increased its value over time.

Mr. Schmitt discussed EOCWD's portfolio, and its focus on safety, liquidity, and yield, and noted that EOCWD's current investment fully complies with its investment policy.

General Manager LISA OHLUND pointed out that half of the District's portfolio is with the Local Agency Investment Fund ("LAIF"). Since that is very liquid and short term, staff will be talking with the Finance Committee in-depth about potentially moving a portion of that money into long-term investments, since we will not need a lot of that liquidity if the District moves forward with the Debt Financing Plan.

ACTION TAKEN: The Board, on motion by SEARS and seconded by MURDOCH, received and filed the investment report of Chandler Asset Management by a 4-0-1 roll call vote, with BELL, MURDOCH, SEARS, and DAVERT voting aye, 0 nays, and 1 absence.

B. 2020 Debt Financing Plan. Ms. OHLUND introduced the item, discussing the Debt Financing Plan to permit the District to capitalize on current low interest rates to finance long-term needs, including the existing sewer projects, new VanderWerff Well, and Vista Panorama Reconstruction, in all estimated at approximately \$20 million. The District is proposing a private placement for this debt, as opposed to public placement, and has presented this plan to the Engineering and Finance Committees. Ms. OHLUND then introduced Anna Sarabian of Fieldman Rolapp & Associates, and opened up the opportunity for the Board to discuss the matter and ask any questions.

President DAVERT and Director SEARS both complimented the plan and approach, and President DAVERT indicated an approval of looking to finance projects that have a multi-generational life in a manner so that those multi-generations will equitably contribute to the cost.

ACTION TAKEN: The Board, on motion by BELL and seconded by SEARS, approved the private placement financing approach as presented and approved the recommended financing team, by a 4-0-1 roll call vote, with BELL, MURDOCH, SEARS, and DAVERT voting aye, and 0 nays, and 1 absence.

**** NOTE: The Board heard Item 6(E) before Item 5(C).**

6. Miscellaneous Matters.

E. Monthly Legislative & Outreach Report. Ms. OHLUND introduced Eric O'Donnell of Townsend and Associates who provided a summary report, state legislative recap, federal look-ahead, and local election results. Mr. O'Donnell, in his recap of the State Legislative Session, reported that in the past year 428 Bills out of 2,223 passed, which is a significant decrease as compared to previous years. Mr. O'Donnell expected a full number of bills to be introduced by the February deadline in 2021, but the pending lockdowns could impact that prediction. It is anticipated that the priority focuses of the Legislature in 2021 will be on housing, wildfire prevention, and police reform.

Mr. O'Donnell provided an overview of several COVID-19 and non-COVID inspired bills in 2020, including several bills related to water district structuring for failing water districts and water quality, including bills banning PFAS firefighting foam. Mr. O'Donnell also provided an overview of the recent federal, State, and local elections.

The Honorable John Lewis provided an abbreviated report, concentrating on a few key points from the Election, from a federal, State, and local perspective.

**** DIRECTOR DULEBOHN JOINED MEETING DURING ITEM 6(E)**

ACTION TAKEN: On motion by MURDOCH, seconded by BELL, the Board received and filed the reports after a 4-0-1 roll-call vote, with BELL, MURDOCH, SEARS and DAVERT voting aye, 0 nays, and DULEBOHN abstaining.

**** NOTE: The Board returned to Item 5(C), before proceeding with the remainder of the Agenda.**

5. Action/Presentation Calendar. (Continued)

C. Personnel Manual Amendments. Ms. Ohlund introduced the item, outlining the facts and circumstances that have led to the recommendations before the Board. In an attempt to address these issues, Ms. Ohlund developed the idea of a stipend, as outlined in the Board report—specifically a stipend geared towards field employees who are sewer response employees and must be able to respond to calls within 20 minutes to mitigate sewer spills. The proposed modifications also include miscellaneous changes in the Personnel Manual that include changes to the procedure for allowing supervisors discretion to approve vacations of less than 30 hours even if outside the advance request window. Vacation requests for more than 30 hours must still be requested 30 days in advance.

Director DAVERT stated that the Finance Committee has discussed this amendment and fully supports it. Director MURDOCH inquired on what types of employees were on-call, to which Ms. Ohlund clarified the difference between on-call and responding employees.

ACTION TAKEN: On motion by BELL and seconded by SEARS, the Board approved the out-of-county and in-county rapid response stipend modifications, along with other proposed clarifications, to the personnel handbook as presented and amended by Ms. Ohlund to allow supervisors the discretion to approve vacation requests of less than 30 hours with only 72 hours notice, by an unanimous roll call vote, with BELL, DULEBOHN MURDOCH, SEARS, and DAVERT voting aye, 0 nays.

6. Miscellaneous Matters. (Continued)

A. Financial Matters

- i. Approval of schedules of disbursements
- ii. Report on investments / ratification of investment activity
- iii. Receipt and filing of financial statements (September 30, 2020)

ACTION TAKEN: On motion by SEARS, seconded by MURDOCH, the Board approved the Schedule of Disbursements for Consideration, ratified and approved the Schedules of Investments, and received and filed the Financial Statements and Reports, by unanimous roll call vote, with BELL, DULEBOHN, MURDOCH, SEARS and DAVERT voting aye, 0 nays.

B. Wholesale and retail water usage report – September and October 2020. Ms. Ohlund provided an overview, indicating that the District is still below historic highs but demands are up. Ms. Ohlund mentioned that the dry and hot weather in the Spring and late Summer are reflected in the figures on the Retail Zone. We have also seen increased demands in the Wholesale Zone. Ms. Ohlund noted that as PFAS affects other wholesale agencies, the District may see that use increase into 2021.

ACTION TAKEN: The Board, on motion by BELL, seconded by DULEBOHN, by unanimous roll call vote received and filed the wholesale and retail water usage report, with BELL, DULEBOHN, MURDOCH, SEARS and DAVERT voting aye, 0 nays.

C. Conference and Meeting Request.

- i. Association of California Water Agencies (“ACWA”) – December 2-3, 2020 (Virtual Conference)

President DAVERT briefly described the event. Director MURDOCH indicated that he would like to attend and participate, after which Directors SEARS indicated that he would like to attend some of the sessions. Ms. OHLUND indicated that the expense for the conference was \$375, which was about half the normal rate plus there were no lodging expenses. Directors DULEBOHN and BELL also expressed interest in attending.

ACTION TAKEN: The Board, on motion by MURDOCH, seconded by BELL, authorized attendance at the meetings by four Board members as discussed, by unanimous roll call vote, with BELL, DULEBOHN, MURDOCH, SEARS and DAVERT voting aye, 0 nays.

D. Directors' reports on meetings attended at District expense (Government Code Section 53232.3) and Directors' comments. President DAVERT incorporated the reports by reference as stated in the Agenda packet. No further comments were made.

7. Informational Items

A. General interest publications. Ms. Ohlund mentioned two items attached, and had nothing further to add.

8. Closed Session

A. Public Employment.

B. Report Out of Closed Session: The Board reported out of closed session that no reportable action was taken.

9. Adjournment.

The Board adjourned the meeting at 6:23 p.m. to an Adjourned Regular Meeting of the Board of Directors on **November 24, 2020**, at 5:00 p.m., in the offices of the East Orange County Water District, 185 N. McPherson Road, Orange, California or online per California Governor's Executive Order No. N-29-20 and directs the Board Secretary to provide and post all legally required notices.

Respectfully submitted,

Jeffrey A. Hoskinson