

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

August 16, 2018

1. Call to Order. A Regular Meeting of the Board of Directors of the East Orange County Water District was called to order by President DOUGLASS DAVERT, Director, at 5:00 p.m. on Thursday, August 16, 2018, in the offices of the East Orange County Water District, 185 N. McPherson Road, Orange, California, with Director SEYMOUR EVERETT leading the Pledge of Allegiance. JEFF HOSKINSON, Secretary, recorded the minutes of the meeting.

The following Directors were present: RICHARD BELL, DOUGLASS DAVERT, SEYMOUR EVERETT, JOHN DULEBOHN, and JOHN SEARS. Also present were:

LISA OHLUND	General Manager
SYLVIA PRADO	District Administrative Assistant
JEFF HOSKINSON	District Secretary and Legal Counsel
ERIC O'DONNELL	Townsend
JOHN LEWIS	Lewis Consulting

2. Public Communications to the Board. None.

3. Items Arising After Posting of Agenda. None.

4. Consent Calendar.

The Board, on a motion by SEARS, seconded by DULEBOHN, adopted by unanimous vote the consent calendar items as follows:

- A. Minutes: THE MINUTES OF THE JULY 19, 2018 REGULAR MEETING OF THE BOARD WERE APPROVED AS SUBMITTED.
- B. General Manager's Report: THE GENERAL MANAGER'S REPORT WAS RECEIVED AND FILED.
- C. Rate Amendment - Atkinson, Andelson, Loya, Ruud & Romo: THE BOARD APPROVED, EFFECTIVE NOVEMBER 1, 2019, AMENDED HOURLY RATES AS PRESENTED, UNDER THE EXISTING ENGAGEMENT LETTER.
- D. Transfer of Commercial Card to Umpqua Bank's CSDA Commercial Card Program: THE BOARD APPROVED RESOLUTION NO. 835, ENTITLED "RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST ORANGE COUNTY WATER DISTRICT AUTHORIZING AGREEMENT WITH UMPQUA BANK TO PARTICIPATE IN THE CSDA DISTRICT PURCHASING CARD PROGRAM," AUTHORIZING (1) EOCWD'S PARTICIPATION IN THE PROGRAM WITH AN ACCOUNT LIMIT OF \$25,000 PER MONTH, (2) THE ISSUANCE OF CARDS TO THE GENERAL MANAGER, OPERATIONS MANAGER, AND GENERAL DISTRICT CARD, (3) REVISIONS TO THE CREDIT CARD POLICY, AND (4) THE GENERAL

MANAGER TO COMPLETE THE NECESSARY DOCUMENTATION TO ESTABLISH THE ACCOUNT.”

**** Item 7(D) was heard out of order, before returning to the regular Agenda**

7. Miscellaneous Matters.

D. Regional/State Issues: John Lewis made a presentation to the Board, relative to various items, including overview of Orange County elections, key races from his perspective, and state-wide efforts relative to powers of local agency formation commissions. President DAVERT provided some additional discussion on local races affecting the EOCWD’s territory.

Eric O’Donnell of Townsend Public Affairs provided an update on the current Legislative session, including procedures and calendar. Discussed status of SB 623, which purportedly will return as two amended though mutually connected bills, one for retail water users with a “voluntary” tax that can be opted out of, and a second for agricultural users. Both of which would be required to pass, if proposed. Mr. O’Donnell also provided an overview of the IRWM funding, with \$63 million to the Santa Ana River Watershed. General Manager Ohlund indicated that such funding, particularly the portion sought by Orange County, is important to EOCWD as the Treatment Plant project is a highly ranked project within the County.

ACTION TAKEN:

None. Information Only

5. Operation, Management and Construction Matters.

A. Amendment of Purchasing Policy Approval Limits: General Manager Ohlund made a brief presentation, indicating that this was a Finance Committee, rather than staff, initiated request, and was made to facilitate issues encountered relative to certain sewer construction issues. Director BELL proposed an amendment to the resolution, as presented, to require three, rather than five, competitive bids for projects over \$200,000. Proposed resolution was also amended to reflect rescindment of Resolution No. 811, rather than No. 733.

ACTION TAKEN:

The Board, on a motion by BELL, seconded by SEARS, which carried unanimously, approved Resolution No. 836 entitled, “RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST ORANGE COUNTY WATER DISTRICT ADOPTING EXPENDITURE APPROVAL AND PURCHASING POLICY,” with amendments to require three, rather than five, bids for contracts over \$200,000, and to reflect the rescindment of Resolution No. 811, rather than No. 733.

B. Acceptance of Irvine/Browning Sewer Rehabilitation Project – Notice of Completion. General Manager Ohlund made a brief presentation, indicating that this was the last of the dig and replace projects inherited from Orange County Sanitation District, and that it was the most complex due to complexities of surrounding utilities. Ms. Ohlund praised the contractor and the neighbors in the area of the project.

ACTION TAKEN:

The Board, on motion by BELL, seconded by DAVERT, which carried unanimously, accepted the Irvine/Browning Sewer Rehabilitation Project and authorized the General Manager, or designee, to file a Notice of Completion for said project.

C. Strategic Plan Update: General Manager Ohlund presented the item, providing an overview of the scorecard and key performance indicators.

ACTION TAKEN:

The Board, on motion by SEARS, seconded by DULEBOHN, which carried unanimously, elected to receive and file the Strategic Plan Update.

6. Financial Matters.

- A. Approval of schedules of disbursements.
- B. Report on investments/ratification of investment activity.
- C. Receipt and filing of financial statements (June 30, 2018).

ACTION TAKEN:

The Board, on motion by DULEBOHN, seconded by BELL, which carried unanimously among those Board members present, (1) approved the schedules of disbursements as submitted; (2) ratified and approved the schedule of investments, as presented; and (3) received and filed the financial statements.

7. Miscellaneous Matters.

A. Wholesale and Retail Water Usage Report – July 2018. General Manager Ohlund presented the retail water usage report, indicating that the heat had stressed plants, resulting in an increase in demand. Ms. Ohlund indicated that overall use remained down.

ACTION TAKEN:

Upon motion by BELL, seconded by DULEBOHN, which carried unanimously, the Board received and filed the wholesale and retail water usage report.

B. Director's Reports on Meetings Attended at District Expense (Govt. Code § 53232.3.) and Director's Comments. Director SEARS indicated his attendance at: (1) a breakfast for Rep. Mimi Walters on August 2, 2018; (2) a Foothill Community Association meeting on August 2, 2018; (3) a Water Advisory of Orange County meeting on August 3, 2018; (4) a volunteer appreciation event with Supervisor Todd Spitzer on August 8, 2018; (5) a Finance Committee meeting on August 9, 2018; and (6) a North Tustin Fire Safety Council meeting at the Orange County Fire Authority (OCFA) on August 14, 2018.

Director DAVERT indicated his attendance at OC-LAFCO and ISDOC.

8. Informational Items

A. General interest publications. General Manager Ohlund commented briefly on items to watch, including water wars in the Central Valley and Colorado River.

9. Closed Session

A. Conference with Legal Counsel – existing litigation pursuant to paragraph (1) of subdivision (d) of Government Code Section 54956.9 – *Irvine Ranch Water District v. Orange County Water District*, Case No. 30-2016-00858584-CU-WMCJC.

Secretary Hoskinson did not attend Closed Session on Item 9(A).

B. Open session: Report Out of Closed Session: No reportable action.

10. Adjournment.

ACTION TAKEN:

The meeting was adjourned at 5:56 p.m., to a regular meeting to be held on September 20, 2018, at 5:00 p.m., at the Offices of the East Orange County Water District, 185 N. McPherson Road, Orange, California.

Respectfully submitted,

Jeff Hoskinson