

MINUTES OF BOARD OF DIRECTORS MEETING
ADMINISTRATION AND FINANCE ISSUES COMMITTEE
ORANGE COUNTY WATER DISTRICT
Thursday, January 12, 2023, @ 8:00 a.m.

Due to the continuing state of emergency declared by the Governor and pursuant to Government Code Section 54953(e), Director Yoh called the Administration and Finance Issues Committee to order via Zoom webinar. The Secretary called the roll and reported a quorum as follows:

Committee Members

Roger Yoh
Dina Nguyen (absent)
Kelly Rowe
Bruce Whitaker
Denis Bilodeau

OCWD staff

Mike Markus – General Manager
Jeremy Jungreis – General Counsel
Randy Fick - CFO/Treasurer
Christina Fuller – Asst. District Secretary
John Kennedy – Executive Director

Alternates

Steve Sheldon
Van Tran
Cathy Green
Valerie Amezcua
Natalie Meeks (absent)

CONSENT CALENDAR

The Consent Calendar was approved upon motion by Director Whitaker, seconded by Director Rowe and carried [5-0-] as follows:

Ayes: Yoh, Rowe, Whitaker, Bilodeau, Amezcua

1. Minutes of Previous Meeting

The minutes of the Administration/Finance Issues Committee meeting held December 15, were approved as presented.

2. Monthly Cash Control Report

Recommended by Committee for approval at January 18 Board meeting: Receive and file Summary Cash and Cash Equivalents Control Reports dated December 31, 2022.

3. Investment Portfolio Holdings Reports

Recommended by Committee for approval at January 18 Board meeting: Receive and File the Investment Portfolio Holdings Reports dated December 31, 2022.

4. Agreement to ACCO Engineered Systems for Annual Maintenance of HVAC Equipment

Recommended by Committee for approval at January 18 Board meeting: Authorize issuance of an Agreement to ACCO Engineered Systems for maintaining the HVAC equipment for an amount not to exceed \$303,600 over a three-year period.

5. Kraemer Basin Control Room Roof Repair Budget Increase

Recommended by Committee for approval at January 18 Board meeting: 1) Increase project budget by \$3,617 for a total project budget of \$12,000; and 2) Authorize issuance of Purchase Order to Best Contracting Services, Inc. for the Kraemer Basin Control Building Roof Repair for \$10,289.

Directors Sheldon, Tran, and Green arrived during discussion of the item.

MATTERS FOR CONSIDERATION

6. Basin Production Percentage and Replenishment Assessment Estimates for Fiscal Year 2023-24

Executive Director John Kennedy reported that staff recommends increasing the Basin Production Percentage (BPP) from 77% to 85%. He stated that the increasing the BPP will result in an additional 6,000 to 10,000 acre-feet of groundwater pumping. CFO/Treasurer Randy Fick stated that the District's department heads are beginning the preparation of their budgets which will be presented to the Board on March 1, 2023. He advised that the Replenishment Assessment (RA) would increase from \$558/af to \$624/af for the following reasons:

- The amount of money budgeted to fund the construction of necessary PFAS treatment systems for the impacted Groundwater Producers will increase by \$5.5 million. The District has obtained an Environmental Protection Agency WIFIA loan which will fund approximately 35% of the project cost. The remaining cost will be funded by reserves and annual RA revenues.
- Inflation is expected to increase the General Fund expenses by \$6.4 million in FY 2023-24 over FY 2022-23.
- The GWRS Final Expansion will come on-line in March 2023 which will cause an estimated \$5.4 million increase in chemical and electrical cost to produce the additional 31,000 acre-feet of recycled water in FY 2023-24.
- The annual contribution to the R&R fund would increase by \$3.2 million.
- Groundwater pumping from Producer wells affected by PFAS will be reduced from approximately 295,000 acre-feet in the FY 2022-23 budget to approximately 280,000 acre-feet in the proposed FY 2023-24 budget causing a \$32 per acre-foot increase to the RA in FY 2023-24.

Upon motion by Director Bilodeau seconded by Director Whitaker, and carried [5-0], the Committee recommended that the Board at its January 18 Board meeting: Provide the Fiscal Year 2023-24 Replenishment Assessment and Basin Production Percentage Estimates to the Groundwater Producers along with any additional Board comments.

Ayes: Yoh, Whitaker, Bilodeau, Tran, Green

***Director Rowe audio issues.**

7. District Participation at SIWW 2023 Conference and Technical Exchange with Singapore PUB

Executive Director Jason Dadakis reported that following the Board's approval of a Memorandum of Understanding (MOU) with the Singapore Public Utilities Board (PUB) in August 2022, PUB staff has suggested that District representatives attend the Singapore International Water Week (SIWW) conference in June 2023 and participate in technical exchange activities during the visit. He stated that District staff recommends up to two District representatives be authorized to travel to Singapore for these activities.

Upon motion by Director Whitaker, seconded by Director Yoh, and carried [5-0], the Committee recommended that the Board at its January 18 Board meeting: Authorize two District representatives to participate in Singapore International Water Week conference and technical exchange activities with Singapore PUB at District expense.

Ayes: Yoh, Rowe, Whitaker, Bilodeau, Tran

INFORMATIONAL ITEM

8. Monthly Cash Disbursements Report

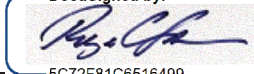
General Manager Mike Markus stated the information is contained in the packet.

CHAIR DIRECTION AS TO WHICH ITEMS IF ANY TO BE AGENDIZED AS MATTERS FOR CONSIDERATION AT JANUARY 18 BOARD MEETING

It was agreed to place all items on the Consent Calendar for the January 18 Board meeting.

ADJOURNMENT

There being no further business, the meeting was adjourned at 8:45 a.m.

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Roger Yoh, Vice Chair