

MINUTES OF BOARD OF DIRECTORS MEETING  
ADMINISTRATION AND FINANCE ISSUES COMMITTEE  
ORANGE COUNTY WATER DISTRICT  
December 15, 2016 @ 8:00 a.m.

Director Dewane called the Administration and Finance Issues Committee to order in Conference Room C-2 in Fountain Valley, CA. The Assistant District Secretary reported a quorum of the Committee.

Committee Members

Shawn Dewane  
Jan Flory  
Roger Yoh (not present)  
Dina Nguyen (arrived 8:05 a.m.)  
Denis Bilodeau (arrived 8:30 a.m.)

OCWD staff

Mike Markus – General Manager  
Joel Kuperberg - General Counsel  
Randy Fick - CFO/Treasurer  
Judy-Rae Karlsen - Assistant District Secretary  
Bonnie Howard, Bill Hunt, John Kennedy,  
Crystal Nettles, Melissa Ochoa, Vishav Sharma

Alternates

Steve Sheldon (not present)  
Philip Anthony  
Roman Reyna (arrived 8:10 a.m.)  
Jordan Brandman  
Cathy Green

Others

Shari Freidenrich - OC Treasurer  
Gary Nguyen – Chief of Investments/OC Treasurer

**CONSENT CALENDAR**

The Consent Calendar was approved upon motion by Director Anthony, seconded by Director Flory and carried [5-0].

*[Yes- Dewane, Flory, Anthony, Brandman, Green /No – 0]*

1. Minutes of Previous Meeting

**The Minutes of the Administration/Finance Issues Committee meeting held November 10, 2016 were approved as presented.**

2. Monthly Cash Control Report

**Recommended by Committee for approval at December 21 Board meeting: Receive and file Summary Cash and Cash Equivalents Control Reports dated November 30, 2016.**

3. Investment Portfolio Holdings Reports

**Recommended by Committee for approval at December 21 Board meeting: Receive and file the Investment Portfolio Holdings Reports dated November 30, 2016.**

4. 2017 Children's Water Education Festival Location and Service Contracts

**Recommended by Committee for approval at December 21 Board meeting: 1) Approve hosting the 2017 Children's Water Education Festival at the University of California, Irvine on March 29-30, 2017; 2) Authorize execution of Agreement with UCI for an amount not to exceed \$67,000 to host the 2017 Children's Water Education Festival on its campus; and 3) Authorize execution of Agreement with James Event Productions, Inc. for an amount not to exceed \$86,805 for event rentals and equipment; security and first aid services; logistical support and coordination throughout the year-long planning effort and during the week-long setup, tear down and execution of the event.**

5. Request for Proposals for Audit Services

**Recommended by Committee for approval at December 21 Board meeting: Authorize issuance of Request for Proposals for independent auditing services to include the District's fiscal audit, Single Audit (if required), Money Purchase Plan audit, 457 Plan audit and Ratio analysis.**

**PRESENTATION**

6. Orange County Treasurer Shari L. Freidenrich

Ms. Shari L. Freidenrich gave a presentation on the overall responsibilities of the Orange County Treasurer. She reported the Orange County Investment Pool (OCIP) has \$4.1 billion invested and she reviewed the authorized investment funds, performance indicators and limitations of the OCIP. Ms. Freidenrich responded to Committee questions on OCIP investment ratings, annual investment yields and investment maturities as compared to the Local Agency Investment Fund. She discussed the benefits of investing in OCIP and public fund investing objectives. The Committee expressed appreciation to Ms. Freidenrich's for her presentation and participation at the meeting.

**MATTER FOR CONSIDERATION**

Director Nguyen, Reyna, Bilodeau arrived during the following discussion.

7. Demand Response Participation

Executive Director of Operations Bill Dunivin reported on the District's participation in demand response programs. He stated the program is designed to protect the electrical power grid in California during shortages due to high demand or during a disaster or emergency. He advised GWRS uses a large load of electricity and can temporarily reduce or shift demands, however that directly impacts water production levels. Mr. Dunivin reviewed the proposed terms within the Base Interruptible Program offered by EnerNOC and he advised the District will receive a financial incentive of approximately \$1,093,786 per year during the proposed two year agreement. He advised the proposed agreement will give the District a firm service level of 5,048 kilowatts. The Committee discussed future renewal energy options and then took the following action.

**Upon motion by Director Nguyen, seconded by Director Anthony and carried [5-0], the Committee recommended that the Board at its December 21 Board meeting: Authorize General Manager to finalize and execute a two-year agreement extending between January 1, 2017 and December 31, 2018 with EnerNOC for a firm service level of 5,048 kilowatts for the GWRS.**

***[Yes- Dewane, Flory, Nguyen, Bilodeau, Anthony, Brandman /No – 0]***

**INFORMATIONAL ITEMS**

8. Preparation of Fiscal Year 2017-18 Budget

Chief Financial Officer/District Treasurer Randy Fick presented the schedule of meetings for the preparation of the budget for Fiscal Year 2016-17. He noted that budget discussions will include conservative Santa Ana River flow projections, five year projections for Replenishment Assessments and Basin Production Percentages, and three year projections for Metropolitan Water District rates.

9. Monthly Cash Disbursements Report

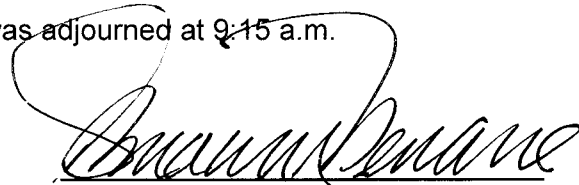
There was no verbal report presented on this item.

**ITEMS TO BE AGENDIZED ON CONSENT CALENDAR AT THE DECEMBER 21 BOARD MEETING**

It was agreed that Item Nos. 1-5, 7 be agendized on the Consent Calendar at the December 21 Board meeting.

**ADJOURNMENT**

There being no further business, the meeting was adjourned at 9:15 a.m.



Director Shawn Dewane