

MINUTES OF BOARD OF DIRECTORS MEETING  
ADMINISTRATION AND FINANCE ISSUES COMMITTEE  
ORANGE COUNTY WATER DISTRICT  
February 13, 2020 @ 8:00 a.m.

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

Committee Members

Tri Ta  
Roger Yoh (absent)  
Dina Nguyen (absent)  
Kelly Rowe  
Ahmad Zahra

OCWD staff

Mike Markus – General Manager  
Jeremy Jungreis – General Counsel  
Randy Fick - CFO/Treasurer  
Christina Fuller – Assistant District Secretary

Alternates

Cathy Green  
Steve Sheldon  
Jordan Brandman  
Denis Bilodeau  
Vicente Sarmiento

**CONSENT CALENDAR**

Director Rowe requested that Item No. 7, *Additional Funds for Reverse Osmosis Membrane Cleaning Chemicals*, be removed from the Consent Calendar. The remainder of the Consent Calendar was approved upon motion by Director Green seconded by Director Rowe and carried [5-0] as follows.

**Yes - Ta, Rowe, Zahra, Green, Sheldon**

1. Minutes of Previous Meeting

**The minutes of the Administration/Finance Issues Committee meeting held January 16, 2020 were approved as presented.**

2. Monthly Cash Control Report

**Recommended by Committee for approval at February 19 Board meeting: Receive and file Summary Cash and Cash Equivalents Control Reports dated January 31, 2020.**

3. Investment Portfolio Holdings Reports

**Recommended by Committee for approval at February 19 Board meeting: Receive and File the Investment Portfolio Holdings Reports dated January 31, 2020.**

4. Limited-Term Employment Agreement for Postdoctoral Research Associate Ricardo Medina (Renewal)

**Recommended by Committee for approval at February 19 Board meeting: Approve and authorize execution of Limited-Term Employment Agreement for Postdoctoral Research Associate Ricardo Medina for a one-year period commencing March 30, 2020.**

5. Limited-Term Employment Agreement for Postdoctoral Research Associate Julio Polanco (Renewal)

**Recommended by Committee for approval at February 19 Board meeting: Approve and authorize execution of Limited-Term Employment Agreement for Postdoctoral Research Associate Julio Polanco for a one-year period commencing March 2, 2020.**

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

**Recommended by Committee for approval at February 19 Board meeting: Authorize issuance of an Agreement to ACCO Engineered Systems for maintaining the HVAC equipment for an amount not to exceed \$ 239,004 over a three-year period.**

7. Additional Funds for Reverse Osmosis Membrane Cleaning Chemicals

This item was removed from the consent calendar and considered separately.

8. Surplus of Telephone Equipment, Laboratory Equipment, Miscellaneous Furniture and Computer Equipment

**Recommended by Committee for approval at February 19 Board meeting: Declare items on Surplus List as of January 31, 2020 surplus and authorize the sale and disposal thereof.**

9. Ultraviolet Light (UV) Equipment Supply

**Recommended by Committee for approval at February 19 Board meeting: Authorize issuance of Purchase Order to DC Frost Associates for the purchase of 1,080 UV lamps in the amount of \$209,382.**

10. Payment of Annual Membership Dues for California Groundwater Coalition

**Recommended by Committee for approval at February 19 Board meeting: Authorize payment of year 2020 dues for the District's membership in the California Groundwater Coalition in the amount of \$9,500.**

#### **MATTERS FOR CONSIDERATION**

7. Additional Funds for Reverse Osmosis Membrane Cleaning Chemicals

Director Rowe questioned the membrane fouling occurring with the Reverse Osmosis Membranes. General Manager Mike Markus stated that some units are experiencing signs of severe organic fouling and advised that the membranes in these units have been cleaned in the past at least 1-2 times per year but recently normal cleaning chemical recipes have been less effective and cleaning frequency has increased to every 3 months for certain RO units. Executive Director Mehul Patel advised that in attempt to discover the nature of the foulant and what chemicals may best remove it, membranes from some of the units were sent to American Water Chemicals (AWC) and Avista Technologies for autopsy and cleaning trials. He reported that the results of this autopsy work revealed a high level of organic humic substances that could be removed using AWC's RO membrane cleaning chemical C-227 and Avista's 192 RO membrane cleaning chemical. He stated that both products have been used in the past in the GWRS RO system and have been proven to be effective at a cost comparable to generic chemicals.

**Upon motion by Director Green seconded by Director Rowe and carried [5-0], the Committee recommended that the Board at its February 19 meeting: Increase the Water Production general fund account line item 1050.54033.9922 for RO cleaning chemicals by \$250,000.**

**Yes - Ta, Rowe, Zahra, Green, Sheldon**

11. OCWD-SAWPA Agreement for Proposition 1 Grant Funding of Watershed Education and Field Trip Program for Elementary Students in Disadvantaged Communities

Executive Director Greg Woodside reported that the District has been awarded a Proposition 1 Disadvantaged Communities Involvement (DCI) grant in the amount of \$100,000. He stated this grant will fund a new watershed education and field trip program for elementary school students in disadvantaged communities. Mr. Woodside advised that this grant has no matching fund requirement, therefore there is no cost to the District to conduct this program.

**Upon motion by Director Zahra seconded by Director Green and carried [5-0], the Committee recommended that the Board at its February 19 meeting: 1) Authorize the General Manager to execute OCWD-SAWPA Sub-grant Agreement for the Watershed Education and Field Trip Program for Disadvantaged Community Elementary Students subject to approval as to form by General Counsel, 2) Authorize Project with a budget of \$100,000, and 3) Authorize General Manager to execute agreements with consultants for curriculum development, display materials, and watershed educators.**

**Yes - Ta, Rowe, Zahra, Green, Sheldon**

12. Budget to Actual Report for Second Quarter Fiscal Year 2019–20

Accounting Manager Melissa Ochoa reported on the Budget to Actual Report for the second quarter year-to-date fiscal year 2019–20. She stated that General Fund operations expenditures are \$2 million under budget due primarily to lower costs for Planning & Watershed Management and Natural Resources; Debt Service expense is less than budget by \$118,360 due to variable interest expense lower than planned, Refurbishment and Replacement items are tracking less than planned primarily due slow progress or timing of projects starting up in the 1<sup>st</sup> quarter, and Water Purchases are \$12.5 million less than budget.

**Upon motion by Director Green, seconded by Director Rowe and carried [5-0], the Committee recommended that the Board at its February 19 meeting: Receive and file the Budget to Actual Report for Second Quarter of Fiscal Year 2019-20 ending December 31, 2019.**

**Yes: Ta, Rowe, Zahra, Green, Sheldon**

#### **INFORMATIONAL ITEM**

13. Monthly Cash Disbursements Report

There was no discussion of this item.

#### **CHAIR DIRECTION AS TO WHICH ITEMS IF ANY TO BE AGENDIZED AS MATTERS FOR CONSIDERATION AT FEBRUARY 19 BOARD MEETING**

It was agreed to place items No. 2-12 on the Consent Calendar for the for the February 19 Board meeting agenda.

#### **ADJOURNMENT**

There being no further business, the meeting was adjourned at 8:30 a.m.

DocuSigned by:  
*Christina Fuller*  
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Christina Fuller, Assistant District Secretary