

MINUTES OF BOARD OF DIRECTORS MEETING
ADMINISTRATION AND FINANCE ISSUES COMMITTEE
ORANGE COUNTY WATER DISTRICT
March 13, 2014 @ 8:00 a.m.

The Administration and Finance Issues Committee meeting was called to order by Director Kathryn Barr in the Conference Room C2 in Fountain Valley, CA. The Assistant District Secretary reported quorum of the Committee.

Committee Members

Kathryn Barr, Chair
Roger Yoh (arrived 8:20 a.m.)
Steve Sheldon (arrived 8:10 a.m.)
Harry Sidhu (arrived 8:20 a.m.)
Jan Flory

Alternates

Vincent Sarmiento (arrived 8:05 a.m.)
Philip Anthony
Denis Bilodeau (not present)
Cathy Green
Shawn Dewane

OCWD Staff

Mike Markus, General Manager
Joel Kuperberg, General Counsel
Judy-Rae Karlsen, Assistant District Secretary
Dan Cohen, Bruce Dosier, Bill Dunivin,
Randy Fick, Kevin Greene, Bonnie Howard,
Bill Hunt, Chris Olsen, John Kennedy,
Vishav Sharma, Esmer Uribe

Others

Paul Schoenberger– Mesa Water District

CONSENT CALENDAR

Director Anthony requested that Item No. 4, Purchase Order to Quinn Company for Replacement Engines for Caterpillar Scraper RT-14 be removed from the Consent Calendar. The remainder of the Consent Calendar was then approved upon motion by Director Anthony, seconded by Director Green and carried [5-0] as follows.

[Yes - Barr, Flory, Anthony, Green, Dewane/ No- 0]

1. Minutes of Previous Meeting

The Minutes of the Administration and Finance Issues Committee meeting held February 13, 2014 were approved as presented.

2. Monthly Cash Control Report

Recommended for approval at March 19 Board meeting: Receive and file Summary Cash and Cash Equivalents Control Report dated February 28, 2014.

3. Monthly Cash Disbursements Detail Report

Recommended for approval at March 19 Board meeting: Receive and file the Cash Disbursements Detail Report for the period of January 30, 2014 through February 26, 2014.

4. Purchase Order to Quinn Company for Replacement Engines for Caterpillar Scraper RT-14

This item was removed from the Consent Calendar for further discussion.

5. Audit of Santa Ana Watershed Association Trust Fund

Recommended for approval at March 19 Board meeting: 1) Authorize the General Manager to execute the Agreed-Upon Procedures letter from Ahern-Adcock-Devlin dated January 29, 2014;

and 2) Authorize payment of the District’s share of the audit of the Santa Ana Watershed Association (SAWA)Trust Fund for an amount not to exceed \$11,100.

ITEM REMOVED FROM THE CONSENT CALENDAR

Director Sarmiento arrived at 8:05 a.m. and Director Sheldon arrived at 8:10 a.m. during the discussion on the following matter.

4. Purchase Order to Quinn Company for Replacement Engines for Caterpillar Scraper RT-14

Director Anthony requested additional information on the replacement of engines on District equipment. Executive Director of Operations Bill Hunt reported the RT-14’s auger scraper engines were scheduled for replacement and part of the District’s multi-year compliance plan with California Air Resources Board (CARB) regulations. The Committee then took the following action.

Upon motion by Director Anthony, seconded by Director Flory and carried [5-0], the Committee recommended that the Board at its March 19 Board meeting: Authorize issuance of Purchase Order to Quinn Company in the amount of \$225,157 for the replacement of RT-14’s Tier-0 auger scraper engines with Tier-3 replacements for compliance with State regulations.

[Yes - Barr, Sheldon, Flory, Sarmiento, Anthony/ No- 0]

MATTERS FOR CONSIDERATION

6. Investment Portfolio Holdings Report

District Treasurer/Chief Financial Officer Randy Fick reviewed the District’s Portfolio Holdings Report dated February 28, 2014 and stated the total rate of return on investments is 0.827%. He reviewed current market trends and advised the District’s investments are in compliance with the District’s Statement of Investment Policy. The Committee then took the following action.

Upon motion by Director Flory, seconded by Director Sidhu and carried [5-0], the Committee recommended that the Board at its March 19 Board meeting: Receive and file Investment Portfolio Holdings Report dated February 28, 2014.

[Yes - Barr, Sheldon, Flory, Sarmiento, Anthony/ No- 0]

Directors Yoh and Sidhu arrived at 8:20 during the discussion on the following matter

7. Proposed FY 2014-15 Budget Replacement & Refurbishment Fund Expense Review

Mr. Fick provided a comprehensive overview of the proposed Fiscal Year 2014-15 Replacement and Refurbishment Budget and reported the District anticipates \$15.0 million in expenditures. Staff presented the following major expense items that will be included in the proposed Replacement & Refurbishment fund budget.

Item #	R&R Item	Expense
27	Replace Burris pump station	\$ 5,068,171
28	Transfer structure between Blue Diamond & Bond Basins	\$ 2,012,792
2	Reverse Osmosis membranes in RO subunits A01 and A03	\$ 1,374,000
37	Replacement of three monitoring wells	\$ 845,000
12	D7E Bulldozer replacement	\$ 700,000

Following the staff presentations, the Committee reviewed and discussed the budgeted items.

DETERMINATION OF ADDITIONAL ITEMS TO BE PLACED ON CONSENT CALENDAR FOR MARCH 19 BOARD MEETING

The Committee recommended that Items No. 2-6 be placed on the Consent Calendar for the March 19 Board meeting.

ADJOURNMENT

There being no further business, the meeting was adjourned at 8:26 a.m.


Kathryn Barr, Chair