

MINUTES OF BOARD OF DIRECTORS MEETING
ADMINISTRATION AND FINANCE ISSUES COMMITTEE
ORANGE COUNTY WATER DISTRICT
June 13, 2019 @ 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 Secretary called the roll and reported a quorum of the Committee as follows.

Committee Members

Tri Ta
Roger Yoh
Dina Nguyen
Kelly Rowe
Ahmad Zahra

OCWD staff

Mike Markus - General Manager
Jeremy Jungreis – General Counsel
Randy Fick - CFO/Treasurer
Janice Durant - District Secretary

Alternates

Cathy Green
Steve Sheldon
Jordan Brandman
Denis Bilodeau
Vicente Sarmiento (absent)

CONSENT CALENDAR

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

Ayes - Ta, Nguyen, Rowe, Zahra, Sheldon

1. Minutes of Previous Meeting

The minutes of the Administration/Finance Issues Committee meeting held May 11, 2019 were approved as presented.

2. Monthly Cash Control Report

Recommended by Committee for approval at June 19 Board meeting: Receive and file Summary Cash and Cash Equivalents Control Reports dated May 31, 2019.

3. Investment Portfolio Holdings Reports

Recommended by Committee for approval at June 19 Board meeting: Receive and File the Investment Portfolio Holdings Reports dated May 31, 2019.

4. Publication of Notice Inviting Bids for OCWD Video Monitoring System Upgrades

Recommended by Committee for approval at June 19 Board meeting: Authorize Publication of Notice Inviting Bids for Contract No. FV-2019-1 Video Monitoring System Upgrades Project; and authorize a budget amendment of \$615,000 to complete the work associated with Contract No. FV-2019-1 Video Monitoring System Upgrades Project at Fountain Valley, twelve Forebay facilities, and the Prado Field Office.

5. Agreement to Lillestrand Leadership Consulting for Staff Leadership Development

Recommended by Committee for approval at June 19 Board meeting: Approve and authorize execution of Agreement to Lillestrand Leadership Consulting for an amount not to exceed \$39,500 for staff leadership development.

6. Amendment to Agreement to Anaheim Hills Patrol for Protective Guard Services

Recommended by Committee for approval at June 19 Board meeting: Authorize issuance of Amendment No. 1 to Agreement No. 1272 to Anaheim Hills Patrol to provide around-the-clock security services for recharge operations for \$254,654 in FY2019-20; \$258,474 in FY2020-21; and for \$263,643 in FY2021-22.

7. Amendment to Agreement with Valley Cities/Gonzales Fence for Fence Repairs

Recommended by Committee for approval at June 19 Board meeting: Authorize issuance of Amendment No. 1 to Agreement No. 1315 to Valley Cities/Gonzales Fence, Inc., for an amount not to exceed \$25,000 per year, at the same rates, for on-call fence repairs for the recharge basins, for a period of two years with the option to renew for two years.

8. Coalition for Environmental Protection, Restoration and Development (CEPRD), Regional Reliability & Sustainability Project 97-005

Recommended by Committee for approval at June 19 Board meeting: Authorize the General Manager to support the 97-005 CEPRD project in the amount of \$25,000.

9. Employment Agreement for Laboratory Technician for R&D Department

Recommended by Committee for approval at June 19 Board meeting: Approve and authorize execution of Limited-Term Employment Agreement for Laboratory Technician Andrew Huang for a one-year period commencing June 24, 2019.

10. RFP for Consulting Services for Risk and Resilience Assessments and Emergency Response Plans

Recommended by Committee for approval at June 19 Board meeting: Authorize issuance of Request for Proposals for consulting services to prepare and complete Risk and Resilience Assessments (RRAs) and Emergency Response Plans (ERPs) that comply with the EPA America Water Infrastructure Act requirements.

MATTERS FOR CONSIDERATION

11. Citibank Class Action Lawsuit with State Attorneys General

District Treasurer/Chief Financial Officer advised that a class action lawsuit by various state attorneys was filed against Citibank for misrepresenting information regarding the London Inter-bank Offered Rate (LIBOR). He advised the interest index is used by many financial institutions to set interest rates for various transactions. He stated that for OCWD the rate was used to determine what Citibank annually paid the District in the 2005A and 2007B SWAP transactions and noted that the District would receive \$396,449.02 under the settlement.

Upon motion by Director Zahra, seconded by Director Yoh and carried [5-0], the Committee recommended that the Board at its June 19 meeting: Authorize execution of the Election to Participate Release and Claim Form in the Citibank Class Action Lawsuit with state attorneys general.

Ayes: Ta, Yoh, Nguyen, Rowe, Zahra

12. CSDA Board of Directors Election – Southern Network, Seat B

General Manager Markus advised that the California Special District Association (CSDA) has an upcoming election for its Board of Directors representing the Southern Network, Seat B for the 2020-2022 term. He advised that OCWD is allowed one vote. Director Green suggested the Board consider voting for Orange County Cemetery District Trustee Kelly Rivers:

Upon motion by Director Zahra, seconded by Director Yoh and carried [5-0], the Committee recommended that the Board at its June 19 meeting: Authorize the OCWD General Manager to cast OCWD's ballot for Orange County Cemetery District Trustee Kelly Rivers for CSDA Board of Directors – Southern Network, Seat B.

Ayes: Ta, Yoh, Nguyen, Rowe, Zahra

13. Renewal of 2019-20 Tax and Revenue Anticipation Notes

Mr. Fick recalled that each fiscal year, the Tax and Revenue Anticipation Notes (TRANs) must be reauthorized and executed to support the District's commercial paper program which can be used for the purchase of water, large capital equipment, and capital projects among other purposes. He advised that this year's TRAN is in the aggregate amount of \$70 million which is an amount that does not exceed 85% of the District's estimated uncollected revenues from July 1, 2019 through June 30, 2020.

Upon motion by Director Zahra, seconded by Director Yoh and carried [5-0], the Committee recommended that the Board at its June 19 meeting:

- 1) Reauthorize execution of the Tax and Revenue Anticipation Notes (TRANs) in the aggregate amount of \$70 million which is an amount that does not exceed 85% of the District's estimated uncollected revenues from July 1, 2019 through June 30, 2020; and**
- 2) Adopt resolution authorizing the execution and delivery of TRANs to support the existing OCWD commercial paper program.**

Ayes: Ta, Yoh, Nguyen, Rowe, Zahra

INFORMATIONAL ITEM

14. 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 JUNE 19 BOARD MEETING

It was agreed to place Items No. 12 and 13 as Matters for Consideration on the June 19 Board meeting agenda.

ADJOURNMENT

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



Tri Ta, Chair