

MINUTES OF BOARD OF DIRECTORS MEETING
ADMINISTRATION AND FINANCE ISSUES COMMITTEE
ORANGE COUNTY WATER DISTRICT
July 12, 2018 @ 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 called the roll and reported a quorum of the Committee as follows.

Committee Members

Shawn Dewane
Bruce Whitaker
Roger Yoh
Dina Nguyen (absent)
Cathy Green

OCWD staff

Mike Markus - General Manager
Randy Fick - CFO/Treasurer
Christina Fuller - Assistant District Secretary

Alternates

Steve Sheldon (absent)
Philip Anthony (absent)
Vicente Sarmiento (absent)
James Vanderbilt (absent)
Denis Bilodeau (absent)

CONSENT CALENDAR

The Consent Calendar was approved upon motion by Director Green, seconded by Director Yoh and carried [4-0].

Yes- Dewane, Whitaker, Yoh, Green

1. Minutes of Previous Meeting

The minutes of the Administration/Finance Issues Committee meeting held June 14, 2018 were approved as presented.

2. Monthly Cash Control Report

Recommended by Committee for approval at July 18 Board meeting: Receive and file Summary Cash and Cash Equivalents Control Reports dated June 30, 2018.

3. Investment Portfolio Holdings Reports

Recommended by Committee for approval at July 18 Board meeting: Receive and File the Investment Portfolio Holdings Reports dated June 30, 2018.

4. Policy for Inventory Purchases over \$50,000

Recommended by Committee for approval at July 18 Board meeting: Require Inventory Purchases over \$50,000 be approved by the Board of Directors.

5. Request for Proposals (RFP) for the Administration Building Carpeting Replacement

Recommended by Committee for approval at July 18 Board meeting: Authorize issuance of RFP for the OCWD Administration Building carpeting replacement project.

6. Joel Kotkin Proposal Regarding Demographics and the California Middle Class (Chapman University)

Recommended by Committee for approval at July 18 Board meeting: Participate in the Joel Kotkin California middle class study in an amount of \$25,000.

7. Limited Term Employment Agreement Renewal with Multimedia Graphic Designer Tyler Crossno

Recommended by Committee for approval at July 18 Board meeting: 1) Approve and authorize execution of Limited Term Employment Agreement with Tyler Crossno as a multimedia graphics designer for an amount not to exceed \$87,000 (\$33.00/hour plus benefits) from July 22, 2018 through July 21, 2019; and 2) Approve an additional \$8,000 in the 2018-2019 Fiscal Year Budget to fund the multimedia graphics designer.

MATTERS FOR CONSIDERATION

8. Actuarial Valuation of Retiree Medical Insurance Benefit Plan

CFO/Treasurer Randy Fick stated that the actuarial valuation of the District's retiree medical insurance benefit plan was completed by Bartel Associates, LLC on June 26, 2018. He recalled that the Governmental Accounting Standards Board issued statement 75 *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*, requires the District to recognize and disclose its Other Post-Employment Benefits (OPEB) liabilities on the Districts financial statements. He stated that the total OPEB liability generally is required to be determined through an actuarial valuation and must be in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board. Bartel Associates, LLC Vice President Mary Beth Redding reviewed the actuarial study results for the Committee.

Upon motion by Director Green, seconded by Director Whitaker and carried [4-0], the Committee recommended that the Board at its July 18 Board meeting: Receive and file the June 30, 2017 Orange County Water District Retiree Healthcare Plan Actuarial Valuation report.

Yes- Dewane, Whitaker, Yoh, Green

9. California Special District Association (CSDA) Board of Directors Election – Southern Region, Seat A

There was no discussion on this item.

Upon motion by Director Dewane, seconded by Director Green and carried [4-0], the Committee recommended that the Board at its July 18 Board meeting: Nominate Jo Mackenzie for CSDA Board of Directors-Southern Region, Seat A and authorize the General Manager to cast OCWD ballot

Yes- Dewane, Whitaker, Yoh, Green

10. Infrastructure Finance and Innovation Act (WIFIA) Loan Agreement and Term Sheet for the Groundwater Replenishment System Final Expansion Project

Mr. Fick reported that staff submitted a Letter of Interest on April 7, 2017, for the financial assistance program with the Environmental Protection Agency (EPA) Water Infrastructure Finance and Innovation Act (WIFIA) for an estimated \$123,872,000 loan to partially fund the GWRS Final Expansion (GWRSFE) Project. He reported the EPA notified the District on July 17, 2017, that the GWRSFE Project was selected to submit an application for credit assistance in the amount of \$135 million. Mr. Fick reported the application was submitted to the EPA on March 14, 2018 and the loan should be finalized in July 2018. He reviewed the loan terms and benefits.

Upon motion by Director Green, seconded by Director Yoh and carried [4-0], the Committee recommended that the Board at its July 18 Board meeting: Adopt Resolution authorizing execution and delivery of WIFIA Loan Agreement in support of a fixed rate loan up to \$135 million to partially fund the GWRS Final Expansion.

Yes- Dewane, Whitaker, Yoh, Green

INFORMATIONAL ITEMS

11. Employment Status Report

There was no verbal report on this item.

12. Monthly Cash Disbursements Report

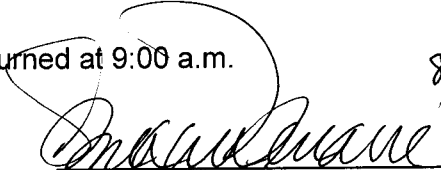
There was no verbal report on this item.

ITEMS TO BE AGENDIZED ON CONSENT CALENDAR AT THE JULY 18 BOARD MEETING

It was agreed that Item Nos. 2-10 be agendized on the Consent Calendar at the July 18 Board meeting.

ADJOURNMENT

There being no further business, the meeting was adjourned at 9:00 a.m.


Shawn Dewane, Chair

8/9/2018