

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

Due to the Governor's Executive Order N-25-20, Director Ta called the Administration and Finance Issues Committee to order via Zoom webinar. The Secretary called the roll and reported a quorum as follows:

Committee Members

Tri Ta
Roger Yoh
Dina Nguyen
Kelly Rowe
Denis Bilodeau

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
Ahmad Zahra
Vicente Sarmiento

CONSENT CALENDAR

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

Ayes: Ta, Yoh, Nguyen, Rowe, Bilodeau

1. Minutes of Previous Meeting

The minutes of the Administration/Finance Issues Committee meeting held July 9, 2020 were approved as presented.

2. Monthly Cash Control Report

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

3. Investment Portfolio Holdings Reports

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

4. Budget Adjustment for Unemployment Claim Costs

Recommended by Committee for approval at August 19 Board meeting: Authorize the addition of \$25,346 to the Human Resources FY 19/20 General Fund budget and the addition of \$50,000 to the Human Resources General fund Budget for FY 20/21 budget for unemployment insurance claim costs.

5. Amendment No. 3 to Agreement with Corporate Image Maintenance for Janitorial Services

Recommended by Committee for approval at August 19 Board meeting: Authorize issuance of Amendment No. 3 to Agreement No. 1095 to Corporate Image Maintenance for janitorial services for the Fountain Valley, Anaheim and Prado facility sites for an amount not to exceed \$158,136 for the first year (2020/21), \$170,172 for the second year (2021/22) and \$174,312 for the third year (2022-23) of the term.

6. Amendment No. 2 to Agreement with Corporate Image Maintenance for Janitorial Services

Recommended by Committee for approval at August 19 Board meeting: Authorize issuance of Amendment No. 2 to Agreement No. 1250 to West Coast Arborist, for tree trimming services at the District's recharge facilities for a period of two additional years, for an amount not to exceed \$60,000 per year with an option to renew for two years.

7. Health Insurance Broker Services

Recommended by Committee for approval at August 19 Board meeting: Authorize a two-year agreement with Alliant Insurance Services effective September 1, 2020 not to exceed \$45,000 per year.

8. Surplus of Vehicles, Heavy Equipment, Laboratory and Computer Equipment, and Miscellaneous Furniture

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

9. Revised Orange County Operational Area Agreement

Recommended by Committee for approval at August 19 Board meeting: Authorize the General Manager to execute the 2020 Orange County Operational Area Agreement with the County of Orange and Political Subdivisions.

MATTERS FOR CONSIDERATION

10. Actuarial Valuation of Retiree Medical Insurance Benefit Plan

CFO/Treasurer Randy Fick reported that the June 30, 2019 actuarial valuation of the District's retiree medical insurance benefit plan was completed by Bartel Associates, LLC on July 31, 2020. He advised that Actuarial valuations are used to derive Other Post-Employment Benefits (OPEB) liabilities every two years. Vice President of Bartel Associates, LLC, Mary Beth Redding, presented the actuarial valuation. She reported that the District's actuarial accrued liability is \$28,546,000. She stated that the market value of the trust assets is \$18,500,000. Ms. Bartel noted that the unfunded actuarial accrued liability or net OPEB Liability is \$10,046,000 and the District's retiree medical benefit is 65% funded as of June 30, 2019.

Upon motion by Director Bilodeau seconded by Director Yoh and carried [5-0], the Committee recommended that the Board at its August 19 meeting: Receive and file the June 30, 2019 Orange County Water District Retiree Healthcare Plan Actuarial Valuation report.

Ayes - Ta, Yoh, Nguyen, Rowe, Bilodeau

11. Amended Agreement and Lease Between Orange County Water District and the Municipal Water District of Orange County (MWDOC)

General Manager Mike Markus recalled that the District and the Municipal Water District of Orange County (MWDOC) share the existing Fountain Valley campus to mutually benefit from the proximity of the respective staffs and to achieve cost savings in the operations of both agencies. He stated that an Agreement and Lease was originally executed in 1987 between the two agencies and established a Building Management Committee that used to routinely meet to coordinate operations. He reported that staff proposes to restart the Committee and engage with MWDOC on their proposed building changes and to continue to meet on a regular basis to discuss issues as they arise.

Upon motion by Director Yoh seconded by Director Bilodeau and carried [5-0], the Committee recommended that the Board at its August 19 meeting: Approach MWDOC about restoring routine meetings with the OCWD and MWDOC Building Management Committee. Ayes - Ta, Yoh, Nguyen, Rowe, Bilodeau

12. Possible Disadvantaged Communities Policy

Mr. Markus recalled that staff was previously requested to agendize discussion of the possible development of a policy regarding disadvantaged communities (DAC) within the District. He stated that having a policy adopted by the Board would help assist in developing educational programs and attaining grant funding for DAC's.

Mr. Markus read aloud an email from City of Fullerton Public Works Director Meg McWade who was unable to attend the meeting: *"As you are aware a significant portion of the City of Fullerton is categorized as a disadvantaged community. There are many more areas outside of Fullerton - in other cities served by OCWD – that have segments that are also disadvantaged. The consideration of the Policy – and its possible adoption – would help to formalize the coordinated efforts that have already begun. There are funding opportunities specifically awarded to disadvantaged communities. Fullerton has been awarded such a grant as has OCWD. OCWD and its agencies, could benefit from additional collaboration to identify grants and work on local funding opportunities. The funding could provide for projects that increase water reliability (such as Well 7A grant) and/or reduce costs for all of our customers. Thank you for your consideration".*

Metropolitan Water District of Southern California representative Adan Ortega spoke in favor of adoption of this policy to ensure the economic burden is not placed on those who can least afford it.

After discussion, the Committee took the following action.

Upon motion by Director Yoh seconded by Director Rowe and carried [5-0], the Committee recommended that the Board at its August 19 meeting: Direct staff to develop a disadvantaged communities policy to have the District apply for grants and other opportunities to serve the District's DAC communities. Ayes - Ta, Yoh, Nguyen, Rowe, Bilodeau

INFORMATIONAL ITEMS

13. Monthly Cash Disbursements Report

Mr. Markus stated the report was in today's packet.

14. Employment Status Report

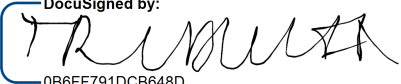
There was no discussion of this item.

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

All items on today's Agenda will move forward to the August 19 Consent Calendar.

ADJOURNMENT

There being no further business, the meeting was adjourned at 8:45 a.m.

DocuSigned by:

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Tri Ta, Chair