

MINUTES OF BOARD OF DIRECTORS MEETING
ADMINISTRATION AND FINANCE ISSUES COMMITTEE
ORANGE COUNTY WATER DISTRICT
September 14, 2017 @ 8:00 a.m.

Director Green 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 (Absent)
Bruce Whitaker
Roger Yoh (Absent)
Dina Nguyen
Cathy Green

OCWD staff

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

Alternates

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

CONSENT CALENDAR

The Consent Calendar was then approved upon motion by Director Anthony, seconded by Director Bilodeau and carried [5-0].

Ayes- Green, Sheldon, Anthony, Sarmiento, Bilodeau

1. Minutes of Previous Meeting

The Minutes of the Administration/Finance Issues Committee meeting held July 13, 2017 were approved as presented.

2. Monthly Cash Control Report

Recommended by Committee for approval at September 20 Board meeting: Receive and file Summary Cash and Cash Equivalents Control Reports dated July 31, 2017.

3. Monthly Cash Control Report

Recommended by Committee for approval at September 20 Board meeting: Receive and file Summary Cash and Cash Equivalents Control Reports dated August 31, 2017.

4. Investment Portfolio Holdings Reports

Recommended by Committee for approval at September 20 Board meeting: Receive and file the Investment Portfolio Holdings Reports dated July 31, 2017.

5. Investment Portfolio Holdings Reports

Recommended by Committee for approval at September 20 Board meeting: Receive and file the Investment Portfolio Holdings Reports dated August 31, 2017.

6. Agreement to Fieldman Rolapp and Associates for Financial Advisory Services

Recommended by Committee for approval at September 20 Board meeting: Authorize issuance of Agreement to Fieldman Rolapp & Associates for an amount not to exceed \$18,000 for on call financial advisory services.

7. Rescind Surplus Action for Vehicle Truck T-50 and Surplus Vehicle T-96

Recommended by Committee for approval at September 20 Board meeting: 1) Rescind the previous board action to surplus T-50; and (2) Authorize the surplus of T-96.

8. Agreement to Tropical Plaza Nursery, Inc., for Annual Landscape Maintenance Services

Recommended by Committee for approval at September 20 Board meeting: Authorize issuance of Agreement to Tropical Plaza Nursery, Inc., for an amount not to exceed \$41,637 for a period of one year commencing September 29, 2017, with an option to renew for two years under the same terms and conditions.

9. Request for Proposals for Video Monitoring Design Services

Recommended by Committee for approval at September 20 Board meeting: Authorize issuance of a Request for Proposals (RFP) for VMS Replacement Project consulting services.

10. Purchase Order Adjustment for Replacement of a Prado Field Vehicle for the Natural Resources Department

Recommended by Committee for approval at September 20 Board meeting: Authorize an increase of \$8,242 in the purchase order for an F-150 truck for Natural Resources activities in the Prado Basin to cover increased purchase cost of that vehicle, based upon the lowest of three bids received, and authorize surplus of T-93.

MATTERS FOR CONSIDERATION

11. Budget to Actual Report for Fourth Quarter FY 2016-17

Accounting Manager Melissa Ochoa presented the Operations Budget to Actual report for the fourth quarter of FY 2016-17. She reported that the General Fund is approximately \$3.4 million under budget due primarily to lower costs for Hydrogeology professional services and Water Production costs; Debt Service is \$1.9 million less than budget; the Refurbishment and Replacement Fund items are tracking less than planned under budget primarily due the Santiago Intertie and the Upper and Lower Five Coves projects being delayed; and the Water Purchases are \$221,000 under budget. She reviewed the budget variances for the following departments; Public Affairs, Board Administration, Finance, Hydrogeology, and Risk and Safety. Ms. Ochoa reviewed the revenue budget to actual summary.

Upon motion by Director Anthony, seconded by Director Sheldon and carried [5-0], the Committee recommended that the Board at its September 20 Board meeting: Receive and file the Budget to Actual Report for Fourth Quarter of Fiscal Year 2016-17 ending June 30, 2017.

Ayes- Nguyen, Green, Sheldon, Anthony, Sarmiento

INFORMATIONAL ITEMS

12. Metropolitan Water District (MWD) Groundwater Replenishment System Local Resources Program Funding Agreement

Executive Director John Kennedy reminded the Committee that OCWD currently has a Local Resources Program (LRP) funding agreement for the GWR System with the Metropolitan Water District (MWD) and the Municipal Water District of Orange County (MWDOC). He stated the LRP agreement entered into in 2004 called for receiving a subsidy of \$121/acre-feet (af) for up to 31,000 acre-feet per year (afy) excluding the first 5,000 af of GWR System water injected into the Talbert Seawater Barrier for 23 years. Mr. Kennedy reported that in August 2008, MWD authorized an amendment to the LRP agreement increasing the annual contractual yield eligible for LRP subsidies from 31,000 to 70,000 afy. He stated the total cumulative production that could receive the LRP subsidy remained at 713,000 af. He advised that the GWR System LRP agreement will be completed in fiscal year 2018-19.

13. Monthly Cash Disbursements Report

CFO/Treasurer Randy Fick advised the report is included in the packet.

ITEMS TO BE AGENDIZED ON CONSENT CALENDAR AT THE SEPTEMBER 20 BOARD MEETING

It was agreed that Item Nos. 2-11 be agendized on the Consent Calendar at the September 20 Board meeting.

ADJOURNMENT

There being no further business, the meeting was adjourned at 8:20 a.m.


Cathy Green, Director