

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF
EAST ORANGE COUNTY WATER DISTRICT

July 21, 2016

1. **Call to Order.** A Regular Meeting of the Board of Directors of the East Orange County Water District was called to order by DOUGLASS DAVERT, President of the Board of Directors, at 5:05 p.m. on Thursday, July 21, 2016, in the offices of the East Orange County Water District, 185 N. McPherson Road, Orange, California. JOAN ARNESON, Secretary, recorded the minutes of the meeting.

The following Directors were present: DOUGLASS DAVERT, JOHN DULEBOHN, SEYMOUR EVERETT and JOHN SEARS. Also present were:

LISA OHLUND	General Manager
JERRY MENDZER	Maintenance & Operations Superintendent
SYLVIA PRADO	District Administrative Assistant
JOAN ARNESON	District Secretary and Legal Counsel
CINDY BYERRUM	District Treasurer
NICHOLAS J. ARHONTES	Consultant
MIA CORRAL	Chandler Asset Management
JASSON SCHMIDT	Chandler Asset Management
KEN VECCHIARELLI	Golden State Water Company
ART VALENZUELA	City of Tustin
LARRY DICK	MWD/MWDOC

2. **Public Communications to the Board.** None.

3. **Items Arising After Posting of Agenda.** None.

5. **Operation, Management and Construction Matters.**

A. **Presentation by MWDOC Director Larry Dick.** LARRY DICK presented a proclamation congratulating EOCWD customers on achievement of 36% water conservation.

6. **Financial Matters**

E. **Citizens Business Bank Banking Services and Chandler Asset Management, Inc., Investment Management.** Ms. BYERRUM described the request for proposal process and said Citizen Business Bank was ranked the best. Ms. BYERRUM and Ms. OHLUND also discussed their review of broker/dealers vs. investment management earning a flat fee, and interviews of candidates. They introduced the recommended firm, Chandler Asset Management and its team, and went over Chandler's handout.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (BELL absent), Resolution Nos. 775 was adopted, entitled: "Resolution of the Board of Directors of East Orange County Water District Amending Investment Policy and Authorization To The Treasurer To Invest Funds"

4. Consent Calendar.ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (BELL absent), the consent calendar actions were adopted as follows.

- A. Minutes: "THAT THE MINUTES OF THE JUNE 16, 2016 MEETING BE APPROVED AS SUBMITTED"
- B. General Manager's Report: "THAT THE GENERAL MANAGER'S REPORT BE RECEIVED AND FILED"
- C. Reduction of employer-paid member contribution to Public Employees' Retirement System and modifications to Personnel Policy: "THAT RESOLUTION NOS. 776 AND 777 BE ADOPTED, ENTITLED 'RESOLUTION OF THE BOARD OF DIRECTORS OF EAST ORANGE COUNTY WATER DISTRICT MODIFYING EMPLOYER PAYMENT OF EMPLOYEE CONTRIBUTION TO PUBLIC EMPLOYEES' RETIREMENT SYSTEM' AND 'RESOLUTION OF THE BOARD OF DIRECTORS OF EAST ORANGE COUNTY WATER DISTRICT RESCINDING RESOLUTION NO. 753 AND ADOPTING REVISED PERSONNEL POLICY'"
- D. Award of Corrosion Protection Contract: "THAT THE CONTRACT FOR STAGE 2 CORROSION PROECTION SERVICES BE AWARDED TO V&A ENGINEERS FOR A NOT-TO-EXCEED COST OF \$46,156"
- E. Wastewater Discharge Regulations: "DECLARE INTENTION TO RETAIN IN FULL FORCE AND EFFECT IN IMPROVEMENT DISTRICT NO. 1 OF THE DISTRICT, ORANGE COUNTY SANITATION DISTRICT ORDINANCE ESTABLISHING WASTEWATER DISCHARGE REGLATIONS, AS AMENDED FROM TIME TO TIME""
- F. Local Sanitary Sewer Service Charges: "DECLARE INTENTION TO RETAIN IN FULL FORCE AND EFFECT IN IMPROVEMENT DISTRICT NO. 1 OF THE DISTRICT, ORANGE COUNTY SANITATION DISTRICT ORDINANCE ESTABLISHING LOCAL SANITARY SEWER SERVICE CHARGES AND TABLE B PROPERTY USE CLASSIFICATIONS, AS AMENDED FROM TIME TO TIME""

- G. Fats, Oil and Grease Control: "DECLARE INTENTION TO RETAIN IN FULL FORCE AND EFFECT IN IMPROVEMENT DISTRICT NO. 1 OF THE DISTRICT, ORANGE COUNTY SANITATION DISTRICT ORDINANCE ADOPTING FATS, OILS AND GREASE CONTROL REGULATIONS APPLICABLE TO FOOD SERVICE ESTABLISHMENTS, AS AMENDED FROM TIME TO TIME"
- H. Award of Purchase of Sewer First Responder Vehicle: "THAT THAT THE CONTRACT FOR THE PURCHASE OF A FIRST RESPONDER VEHICLE BE AWARDED TO DOWNTOWN FORD IN THE AMOUNT OF \$40,274.79"
- I. Strategic Plan Semi-Annual Update: "THAT THE SEMI-ANNUAL STRATEGIC PLAN UPDATE BE RECEIVED AND FILED AND POSTED BY THE GENERAL MANAGER AS REQUIRED"

5. **Operation, Management and Construction Matters.**

B. Nomination of President Doug Davert for Third Vice-President Seat on Independent Special Districts of Orange County (ISDOC) Board of Directors.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (BELL absent), Resolution No. 778 was adopted, entitled: "Resolution of the Board of Directors of East Orange County Water District Declaring Support For The Candidacy Of President Doug Davert For The Third Vice-President Seat On The ISDOC Board Of Directors."

C. Award of Contract for ID1 Sewer Line Cleaning. Ms. OHLUND reported that this and the following contracts are with the OCSD vendors, who have given EOCWD the same price. She added that they were budget-based, and not all are expected to reach the not-to-exceed cost, which the District will control.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (BELL absent), the contract for sewer line cleaning was awarded to Performance Pipeline Technologies, Inc., for a not-to-exceed cost of \$380,000.

D. Award of Contract for Sewer System CCTV Services.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (BELL absent), the contract for sewer system CCTV services was awarded to Professional Pipe Services for a not-to-exceed cost of \$98,433.75.

E. Award of Contract for Root Control.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (BELL absent), the contract for sewer root control services was awarded to Duke's Root Control Services for a not-to-exceed cost of \$30,000.

F. Award of Contract for Pest Control.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (BELL absent), the contract for sewer pest control services was awarded to Golden Bell Inc. for a not-to-exceed cost of \$20,000.

G. Award of Contract for Cured-In-Place Pipe Services.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (BELL absent), the contract for cured-in-place pipe services be awarded to Sancon, Inc., for a not-to-exceed cost of \$300,000.

H. Award of Contract for Manhole Frame and Cover Repair Services.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (BELL absent), the contract for manhole frame and cover repair services be awarded to Ayala Engineering for a not-to-exceed cost of \$50,000.

I. Award of Contract to Lewis Consulting Group.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (BELL absent), the contract with Lewis Consulting Group for provision of governmental consulting services, in the not-to-exceed amount of \$18,000 for the period August 1, 2016 to July 31, 2017, was approved.

J. Award of Contract to Townsend Public Affairs.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (BELL absent), the contract with Townsend Public Affairs for provision of legislative and funding advocacy services, in the not-to-exceed amount of \$30,000 for the period August 1, 2016 to July 31, 2017, be approved.

K. Board Workshop – Sewer System.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (BELL absent), a workshop meeting was scheduled for Tuesday, August 9, 2016 at 5:00 p.m. for a sewer system policy and management overview.

6. Financial Matters.

A. Schedule of Disbursements. Schedules of disbursements in the following amounts were presented: \$494,776.90 from Wholesale and Retail Operating Funds, \$2,031.97 for directors' payroll, and \$43,743.03 for employees' payroll.

B. Investment Activity. Schedules of investments were presented.

C. Financial Statements (May 31). The financial statements were presented.

President DAVERT reported that the Finance Committee recommended approval of the schedule of disbursements and investment schedules, and receipt and filing of the financial statements.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (BELL absent), the schedules of disbursements were approved as corrected, the schedules of investments were ratified and approved, and the financial statements were received and filed.

D. 2016-17 Sewer System Budgets (Operating and Capital Projects). Ms. OHLUND reviewed the budgets, which were the budgets given to LAFCO.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (BELL absent), Resolution No. 779 was adopted, entitled: "Resolution of the Board of Directors of East Orange County Water District Adopting Operating and Capital Projects Budgets and Making

Determination Relative To Appropriations Subject To Limitation For 2016/2017 Fiscal Year (Improvement District 1)."

- E. Award of Contract to Citizens Business Bank For Banking Services.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (BELL absent), Resolution No. 780 was adopted, entitled "Resolution of the Board of Directors of East Orange County Water District Retaining Citizens Business Bank for the Provision of Banking Services and Rescinding Authorization To California Bank & Trust Effective September 1, 2016."

7. Miscellaneous Matters.

- A. Reports from Committees and Representatives to Organizations. None.
- B. Directors' Reports on Meetings Attended. Director SEARS reported on the WACO meeting, which included a presentation on irrigation design and master planning. Director DULEBOHN reported on the ISDOC meeting.
- C. Authorization of Conference/Meeting Attendance.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (Bell absent), Directors DUKEBOHN and SEARS were authorized to attend the Urban Water Institute Annual Conference.

- D. Orange County Sanitation District #7 Local Sewer Service Reorganization – Status Report. Ms. OHLUND said she had no additions to her report.
- E. Wholesale and Retail Water Usage.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (Bell absent), the wholesale and retail water usage report and the drought report were received and filed.

9. Informational Items.

- A. General Interest Publications. Included were: *Public Policy Institute of California*, "Water Use in California;" *CA FWD*, "Why California Is Modernizing Its Political Reform Act;" *Public Policy Institute of California*, "Implementing California's Groundwater Rule" and *Voice of San Diego*, "The Strange Battle to Control a Bunch of Sewage off the San Diego Coast."

9. **Closed Sessions.** President DAVERT announced that the Board would meet in closed sessions listed in the agenda as follows: **(A)** conference with real property negotiators (Government Code Section 54956.8), premises leased for telecommunications at 9312 Jamboree Road/9764½ Handy Creek Road, Orange, Negotiating Parties: Crown Castle MU LLC, Agency Negotiators: General Manager Ohlund, under negotiation: price and terms of payment (lease amendment); **(B)** conference with Legal Counsel – anticipated litigation – initiation of litigation pursuant to paragraph (4) of subdivision (d) of Government Code Section 54956.9.

Ms. ARNESON left the meeting after item 10(A).

OPEN SESSION

Open session was resumed, with Directors BELL, DAVERT, EVERETT and SEARS present. No action was reported from the closed session.

10. **Adjournment.**

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the meeting was adjourned at 6:30 p.m., to August 9, 2016 at 5:00 p.m. to be held in the Offices of the East Orange County Water District, 185 N. McPherson Road, Orange, California, the next regular meeting date and time being Thursday, July 21, 2016, at 5:00 p.m., to be held in the Offices of the East Orange County Water District, 185 N. McPherson Road, Orange, California.

Respectfully submitted,



Joan C. Arneson