

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

March 16, 2017

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 5:00 p.m. on Thursday, March 16, 2017, 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 (General Manager OHLUND recorded the minutes for Item g).

The following Directors were present: RICHARD BELL, DOUGLASS DAVERT, JOHN DULEBOHN 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 (by telephone)
DIANN PAY	AKM
FRANK CAHILL	RCE
DOUG STACK	City of Tustin
ART VALENZUELA	City of Tustin
JAYSON SCHMITT	Chandler Asset Management

- 2. Public Communications to the Board.** None.
- 3. Items Arising After Posting of Agenda.** None.
- 4. Consent Calendar.**

ACTION TAKEN:

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

- A. General Manager's Report: "THE GENERAL MANAGER'S REPORT WAS RECEIVED AND FILED"
- B. Annual review of investment policy and delegation of authority to effect investment transactions: "RESOLUTION NO. 795 WAS ADOPTED, ENTITLED: 'RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST ORANGE COUNTY WATER DISTRICT APPROVING INVESTMENT POLICY AND AUTHORIZING THE TREASURER TO INVEST FUNDS'"

- C. Open Trench Sewer Replacement Project: "STAFF WAS AUTHORIZED TO REJECT ALL BIDS AND REBID THE PROJECT"
- D. Wholesale Zone system water quality issues status report: "THE REPORT WAS RECEIVED AND FILED"
- E. Strategic planning workshop: "THE REPORT WAS RECEIVED AND FILED"

5. Operation, Management and Construction Matters.

A. Sewer System Master Plan and Condition Assessment. Ms. OHLUND provided an overview of what the contract would contain for the sewer system master plan and condition assessment.

ACTION TAKEN:

Upon a motion by BELL, seconded by DULEBOHN and carried unanimously (Everett absent), a contract with AKM Consulting, in the amount of \$556,992, was approved and ID 1 Account No. 70205e-30 was amended by the amount of \$306,992.

6. Financial Matters.

D. Chandler Asset Management semi-annual investment review. Mr. SCHMITT provided an overview of his report, including federal reserve and other economic trends and projections, characteristics, sector distribution and issuers for the shorter and longer portions of the District's portfolio, ratings, and investment of funds received from OCSD in the sewer transfer.

ACTION TAKEN:

Upon a motion by SEARS, seconded by BELL and carried unanimously (Everett absent), the report was received and filed.

B. Lead Sampling at K-12 Schools. Ms. OHLUND reported on and discussed the process that would occur.

ACTION TAKEN:

Upon a motion by SEARS, seconded by DULEBOHN and carried unanimously (Everett absent), the report was received and filed.

C. Cured-In-Place Pipe Repairs Project. Ms. OHLUND reported that certain irregularities appeared in the bidding process. Staff was recommending rejection of all bids and inclusion within the unit price work in the existing Sancon contract.

ACTION TAKEN:

Upon a motion by SEARS, seconded by BELL and carried unanimously (Everett absent), Amendment No. 1 to the contract with Sancon Engineering, to include the full-length CIPP rehabilitation for \$212,265, was approved.

6. Financial Matters.

A. Schedule of Disbursements. Schedules of disbursements in the following amounts were presented: \$329,613.27 from Wholesale and Retail Operating Funds, \$1,722.41 for directors' payroll, and \$57,802.31 for employees' payroll.

B. Investment Report of Investment Activity. Schedules of investments were presented.

C. Financial Statements (January 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 by BELL, seconded by SEARS and carried unanimously (Everett 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.

7. Miscellaneous Matters.

A. Reports from Committees and Representatives to Organizations. None.

B. Directors' Reports on Meetings Attended. Director SEARS reported on his attendance at WACO featuring presentations on Oroville and groundwater storage, and at the leadership conference.

C. Wholesale and Retail Water Usage. Lower sales resulted from the large rainfall, and adjustments will likely be needed next year.

ACTION TAKEN:

Upon a motion by BELL, seconded by DULEBOHN and carried unanimously (Everett absent), the wholesale and retail water usage report was received and filed.

D. Authorization of Conference/Meeting Attendance.

ACTION TAKEN:

Upon a motion by SEARS, seconded by BELL and carried unanimously (Everett absent), Directors SEARS and BELL were authorized to attend the ACWA Spring Conference.

8. Informational Items.

A. General Interest Publications. Included were: Neil McCormick and Kyle Packham, California Special Districts Association letter to Little Hoover Commission.

9. Closed Sessions. President DAVERT announced that the Board would meet in closed session - conference with Legal Counsel – existing litigation pursuant to paragraph (1) of subdivision (d) of Government Code Section 54956.9 – *Irvine Ranch Water District v. Orange County Water District*, Case No. 30-2016-00858584-CU-WM-CJC.

Ms. ARNESON left the meeting.

OPEN SESSION

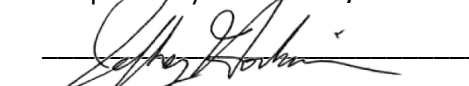
Open session was resumed, with Directors BELL, DAVERT, DULEBOHN and SEARS present. No action was reported from the closed session.

10. Adjournment.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the meeting was adjourned at 6:10 p.m., the next regular meeting date and time being Thursday, April 20, 2017, 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,



Jeffrey A. Hoskinson