



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

December 17, 2020

1. Call to Order. A Regular Meeting of the Board of Directors of the East Orange County Water District was called to order by Board President DOUGLASS DAVERT at 5:00 p.m. on Thursday, December 17, 2020, with Director GEORGE MURDOCH leading the Pledge of Allegiance. Pursuant to California Governor’s Executive Order No. N-29-20, there was no public location for attending this board meeting in person. JEFFREY HOSKINSON, Secretary, recorded the minutes of the meeting, attending via videoconference.

The following Directors attended the meeting, pursuant to Executive Order N-29-20, via videoconference: RICHARD BELL, DOUGLASS DAVERT, JOHN SEARS, JOHN DULEBOHN and GEORGE MURDOCH.

Also present via videoconference were:

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| LISA OHLUND | General Manager |
| DON WAGNER | OC Supervisor |
| JERRY MENDZER | Operations Manager |
| JEFF SMYTH | Engineering Manager |
| SYLVIA PRADO | Administrative Assistant |
| JEFF HOSKINSON | District Secretary and Legal Counsel |
| DAVID YOUNGBLOOD | Incoming General Manager |
| JULIAN DE LA O SOLIS | Office Assistant |
| STEVEN CHOI | California Assembly Member, 68th District |
| DON WAGNER | Orange County Board of Supervisors |
| ROBERT HUNTER | Municipal Water District of Orange County (“MWDOC”) |
| LARRY DICK | MWDOC Board Member |
| KARL SECKEL | MWDOC Board Member |
| DENIS BILODEAU | Orange County Water District Board Member |
| PAUL SHOENBERGER | Mesa Water District |
| STACY TAYLOR | Mesa Water District |
| SCOTT NELSEN | Public |
| BOB OHLUND | Public |
| CINDY BYERRUM | Eide Bailly |
| JONATHAN FOSTER | Davis Farr LLP |
| ANDREW FOLEY | Atkinson, Andelson, Loya, Ruud & Romo |
| CHARLIE MCKINLEY | Black and Veatch |
| MARILYN THOMS | Solutions Project Management |
| ANNA SARABIAN | Fieldman Rolapp & Associates |

Other members of the public were also in attendance.

2. **Addition of Items Arising After Posting of Agenda Requiring Immediate Action.** (Requires 2/3 vote or unanimous vote if less than 2/3 of members are present).

ACTION TAKEN: None.

3. **Public Communications to the Board.** None presented, and Sylvia Prado confirmed that no public comments were received via e-mail.

4. **Commendation of General Manager Lisa Ohlund.** President DAVERT introduced the item, reading the Resolution prepared by EOCWD into the record. Thereafter, President DAVERT opened the meeting up to comments from those in attendance to commemorate General Manager Ohlund, including: California Assembly Member Steven Choi; Orange County Board of Supervisor Don Wagner; Municipal Water District of Orange County (“MWDOC”) Board Members Karl Seckel and Larry Dick; Orange County Water District (“OCWD”) Board Member Denis Bilodeau; Marilyn Thoms; MWDOC General Manager Robert Hunter; Bob Ohlund; Julian de la O Solis; Jeffrey Hoskinson; Mesa Water District General Manager Paul Shoenberger; Jerry Mendzer; Sylvia Prado; Jeff Smyth; and Directors MURDOCH, BELL, SEARS, DULEBOHN, and DAVERT.

ACTION TAKEN: THE BOARD, ON MOTION BY SEARS AND SECONDED BY BELL, ADOPTED RESOLUTION NO. 895, ENTITLED: “RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST ORANGE COUNTY WATER DISTRICT EXPRESSING APPRECIATION, COMMEMORATING, AND INVITING PUBLIC ATTENTION TO THE OUTSTANDING SERVICES RENDERED BY EAST ORANGE COUNTY WATER DISTRICT GENERAL MANAGER LISA OHLUND,” BY A UNANIMOUS ROLL CALL VOTE, WITH BELL, DULEBOHN, MURDOCH, SEARS, AND DAVERT VOTING AYE, 0 NAYS.

5. **Organization**

- A. **Election of Officers.** President DAVERT introduced the item, seeking nominations for the positions of President and Vice-President.

ACTION TAKEN: THE BOARD, ON NOMINATION BY BELL, SECONDED BY SEARS, WITH NO OTHER NOMINATIONS PRESENTED, ELECTED DIRECTOR DAVERT AS PRESIDENT OF THE BOARD OF DIRECTORS BY UNANIMOUS ROLL-CALL VOTE. THE BOARD ON NOMINATION BY BELL, SECONDED BY SEARS, WITH NO OTHER NOMINATIONS PRESENTED, ELECTED DIRECTOR DULEBOHN AS VICE-PRESIDENT OF THE BOARD OF DIRECTORS BY UNANIMOUS ROLL-CALL VOTE.

6. **Consent Calendar.**

The Board, on motion from BELL, seconded by MURDOCH, approved the Consent Calendar items, by unanimous roll-call vote, as follows:

- A. **Minutes.** THE MINUTES OF THE NOVEMBER 19, 2020 REGULAR MEETING OF THE BOARD AND THE NOVEMBER 24, 2020 ADJOURNED REGULAR MEETING OF THE BOARD WERE APPROVED AS SUBMITTED;

- B. General Manager’s Report. THE GENERAL MANAGER’S REPORT WAS RECEIVED AND FILED;**
- C. Backflow Testing Program Fee Adjustment Resolution No. 896. THE BOARD APPROVED RESOLUTION NO. 896 ENTITLED, “RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST ORANGE COUNTY WATER DISTRICT REVISING THE SERVICE CHARGE FOR ANNUAL BACKFLOW TESTING PROGRAM”;**
- D. Adoption of Wholesale, Retail, and Sewer (ID1) Connection and Capacity Charges Language – Resolution Nos. 897, 898, and 899. THE BOARD APPROVED RESOLUTION NOS. 897, 898, AND 899 ENTITLED: (i) “RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST ORANGE COUNTY WATER DISTRICT ADOPTING CHANGES TO NON-WATER DELIVERY CONNECTION FEES AND CAPACITY CHARGES FOR RETAIL SERVICE,” WITH THE MODIFICATION OF EXHIBIT A TO REFLECT FOR THE 3” METER CHARGE OF \$71,196, VERSUS \$70,196 PROVIDED IN THE EXHIBIT; (ii) “RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST ORANGE COUNTY WATER DISTRICT ESTABLISHING CONNECTION FEES AND CAPACITY CHARGES FOR THE WHOLESALE SERVICE ZONE WITHIN THE DISTRICT”; and (iii) “RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST ORANGE COUNTY WATER DISTRICT ESTABLISHING CONNECTION FEES AND CAPACITY CHARGES FOR THE SEWER IMPROVEMENT DISTRICT NO. 1 WITHIN THE DISTRICT”;**
- E. Transfer of Authority to and Authorization of Signature on All Accounts of New General Manager – Resolution No. 900. THE BOARD ADOPTED RESOLUTION NO. 900 ENTITLED, “RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST ORANGE COUNTY WATER DISTRICT TRANSFERRING AUTHORITY TO GENERAL MANAGER AND AUTHORIZING SIGNATURES FOR ALL ACCOUNTS, AND RESCINDING PRIOR RESOLUTION”;**
- F. Santiago Aqueduct Commission (“SAC”) Baker Pipeline Fiscal Year 2020/21 Budget Adjustment. THE BOARD APPROVED THE TRANSFER OF \$85,051.00 FROM RESERVE FUNDS TO ACCOUNT 71037C1 – BAKER PIPELINE REPAIRS TO COVER THE DISTRICT’S SHARE OF THE DESIGN AND CONSTRUCTION COSTS FOR REPAIRS TO THE BAKER PIPELINE;**
- G. COVID-19 Status Report. THE BOARD RECEIVED AND FILED THE REPORT; and**
- H. Per- and Poly-Fluoroalkyl Substances. THE BOARD RECEIVED AND FILED THE REPORT.**

7. Action/Presentation Calendar.

A. Fiscal Year 2019/2020 Audit Presentation. Jonathan Foster of Davis Farr LLP, presented the item, providing an overview of the Audit Report for Fiscal Year 2019/2020, followed by a brief discussion from the Board.

ACTION TAKEN: THE BOARD, ON MOTION BY SEARS AND SECONDED BY DULEBOHN, ACCEPTED THE AUDITED JUNE 30, 2020 FINANCIAL STATEMENTS, BY A UNANIMOUS ROLL CALL VOTE, WITH SEARS, DULEBOHN, BELL, MURDOCH, , AND DAVERT VOTING AYE, AND 0 NAYS.

B. 2020 Water and Sewer System Debt Financing – Approval of Installment and Placement Agent Agreements – Resolution No. 901. Ms. Ohlund introduced the item, introducing Anna Sarabian of Fieldman Rolapp & Associates to present the item. Following the presentation, Ms. Ohlund introduced Mr. Andrew Foley, of Atkinson, Andelson, Loya, Ruud & Romo, as District Counsel on the item, following which Mr. Foley made brief comments as to the proposed financing. A brief discussion occurred relative to the proposed financing.

ACTION TAKEN: THE BOARD, ON MOTION BY SEARS AND SECONDED BY BELL, APPROVED RESOLUTION NO. 901 ENTITLED, “RESOLUTION OF THE BOARD OF DIRECTORS OF EAST ORANGE COUNTY WATER DISTRICT APPROVING THE EXECUTION AND DELIVERY OF A PLACEMENT AGENT AGREEMENT AND AN INSTALLMENT PURCHASE AGREEMENT FOR THE PURPOSE OF FINANCING THE ACQUISITION AND INSTALLATION OF CERTAIN WATER SYSTEM AND SEWER SYSTEM IMPROVEMENTS AND APPROVING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH AND CERTAIN OTHER MATTERS,” BY A UNANIMOUS ROLL CALL VOTE, WITH DULEBOHN, BELL, MURDOCH, SEARS, AND DAVERT VOTING AYE, AND 0 NAYS.

C. Legal Update – Social Media Amendments to Ralph M. Brown Act. General Counsel Jeff Hoskinson provided a brief presentation to the Board relative to new requirements imposed on the Board pursuant to AB 992 (2020).

ACTION TAKEN: NONE. Information Only

D. Energy Management Plan Study Presentation. Engineering Manager Jeff Smyth introduced the item, and turned the presentation over to Charlie McKinley of Black and Veatch to make the Energy Management Plan presentation, followed by brief discussion with the Board.

ACTION TAKEN: THE BOARD, ON MOTION BY BELL AND SECONDED BY DULEBOHN, ACCEPTED THE REPORT AS A BASELINE PLANNING TOOL FOR FUTURE PROJECTS, WHICH SUPPORT THE DISTRICT’S EFFORTS TO LIMIT ITS IMPACT ON THE ENVIRONMENT AND CLIMATE CHANGE’ BY A UNANIMOUS ROLL CALL VOTE, WITH DULEBOHN, BELL, MURDOCH, SEARS, AND DAVERT VOTING AYE, AND 0 NAYS.

E. Investment Portfolio Reallocation. Ms. Ohlund presented the item, discussing the portfolio needs and returns, and stating that the relocation was largely driven by the adoption of the Debt Financing Plan, which freed up funds for further investment. Director DULEBOHN inquired as to the duration in which the funds would be available.

ACTION TAKEN: THE BOARD, ON MOTION BY SEARS AND SECONDED BY BELL, APPROVED THE CHANDLER ASSET MANAGEMENT, INC., SHORT- AND LONG-TERM RESERVE FUND INVESTMENT STRATEGY BY A UNANIMOUS ROLL CALL VOTE, WITH DULEBOHN, BELL, MURDOCH, SEARS, AND DAVERT VOTING AYE, AND 0 NAYS.

8. Miscellaneous Matters.

A. Financial Matters

- i. Approval of schedules of disbursements
- ii. Report on investments / ratification of investment activity
- iii. Receipt and filing of financial statements (October 31, 2020)

ACTION TAKEN: ON MOTION BY DULEBOHN, SECONDED BY SEARS, THE BOARD APPROVED THE SCHEDULE OF DISBURSEMENTS FOR CONSIDERATION, RATIFIED AND APPROVED THE SCHEDULES OF INVESTMENTS, AND RECEIVED AND FILED THE FINANCIAL STATEMENTS AND REPORTS, BY UNANIMOUS ROLL CALL VOTE, WITH BELL, DULEBOHN, MURDOCH, SEARS AND DAVERT VOTING AYE, 0 NAYS.

B. Wholesale and retail water usage report – November 2020. Ms. Ohlund presented the report, with brief questioning from the Board.

ACTION TAKEN: THE BOARD, ON MOTION BY DULEBOHN, SECONDED BY BELL, BY UNANIMOUS ROLL CALL VOTE RECEIVED AND FILED THE WHOLESALE AND RETAIL WATER USAGE REPORT, WITH BELL, DULEBOHN, MURDOCH, SEARS AND DAVERT VOTING AYE, 0 NAYS.

C. Directors' reports on meetings attended at District expense (Government Code Section 53232.3) and Directors' comments. The Directors reported attendance at meetings attended at District expense as follows:

Director SEARS reported attendance at the Foothill Community Association Board meeting on December 3, 2020; Water Agencies of Orange County ("WACO") meeting on November 4, 2020; North Tustin Fire Safe Council Meeting on December 15, 2020; the EOCWD noticed Adjourned Regular Meeting on November 24, 2020; and ACWA Fall Conference, with all attendances virtual.

Director BELL reported attendance at the EOCWD noticed meetings, ACWA Fall Conference, and MWDOC Board meeting, all by virtual attendance.

Director MURDOCH reported attendance at the EOCWD noticed meetings, as well as General Manager interviews, as well as the ACWA Board of Directors Meeting on



November 20, 2020, and the ACWA Fall Conference and Water Quality Committee meeting. All appearances were virtual.

President DAVERT and Vice-President DULEBOHN both reported attendance at the ACWA Fall Conference, by virtual attendance.

D. Monthly Legislative & Outreach Report. Hon. John Lewis submitted his report to the Board, and reported that President DAVERT is now Chairman of the Orange County Local Agency Formation Commission (“OC LAFCO”).

ACTION TAKEN: ON MOTION, DULY SECONDED, THE BOARD RECEIVED AND FILED THE REPORTS AFTER A UNANIMOUS ROLL-CALL VOTE, WITH BELL, MURDOCH, SEARS, DULEBOHN AND DAVERT VOTING AYE, 0 NAYS.

9. Informational Items

A. General interest publications.

10. Closed Session

A. Threat to Public Services of Facilities.

B. Report Out of Closed Session: Mr. Hoskinson reported that the Board met in Closed Session on Item 10(A), and took no reportable action.

11. Adjournment.

The Board adjourned the meeting at 7:17 p.m. to the next Regular Meeting of the Board of Directors on **January 21, 2021**, at 5:00 p.m., in the offices of the East Orange County Water District, 185 N. McPherson Road, Orange, California or online per California Governor’s Executive Order No. N-29-20 and directs the Board Secretary to provide and post all legally required notices.

Respectfully submitted,

Jeffrey A. Hoskinson