



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

June 18, 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, June 18, 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. JEFF 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 DULEBOHN, GEORGE MURDOCH, and JOHN SEARS.

Also present were:

- |                |  |
|----------------|--|
| LISA OHLUND    | General Manager (In-Person)                            |
| JEFF SMYTH     | Engineering Manager (In-Person)                        |
| SYLVIA PRADO   | District Administrative Assistant (In-Person)          |
| JERRY MENDEZ   | Operations Manager (In-Person)                         |
| JUSTIN DAVIS   | District Sewer Supervisor (In-Person)                  |
| JEFF HOSKINSON | District Secretary and Legal Counsel (Videoconference) |
| ASH DHINGRA    | AKD Consulting (Videoconference)                       |
| JUSTIN GLOVER  | Communications Lab (Videoconference)                   |
| STEVE FRIEDMAN | HDR (Videoconference)                                  |
| LARRY JOHNSON  | HDR (Videoconference)                                  |
| GARY BINGER    | Quanta Services (Videoconference)                      |
| LUIS LEON      | HDR (Videoconference)                                  |

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

**3. 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:** No items added to the agenda.

**4. Consent Calendar.**

The Board, on motion from BELL, seconded by SEARS, approved, by unanimous roll call vote, with BELL, DULEBOHN, MURDOCH, SEARS and DAVERT voting aye, and 0 nays, the Consent Calendar items as follows:

- A. Minutes: THE MINUTES OF THE MAY 21, 2020 REGULAR MEETING AND THE APRIL 30, 2020 SPECIAL MEETING OF THE BOARD WERE APPROVED AS SUBMITTED;**
- B. General Manager's Report: THE GENERAL MANAGER'S REPORT WAS RECEIVED AND FILED;**
- C. California Voter Right Act ("CVRA") Update: THE BOARD RECEIVED AND FILED AN UPDATE ON THE CALIFORNIA VOTER RIGHT ACT RELATED INFORMATION;**
- D. 2019 Water Quality/Consumer Confidence Report: THE BOARD RECEIVED AND FILED THE REPORT, AND THE REPORT WAS DIRECTED TO BE POSTED BY THE GENERAL MANAGER AS REQUIRED;**
- E. Chadbourne Sewer Transfer – Quitclaim of Easement: THE BOARD APPROVED THE TRANSFER OF THE CHADBOURNE SEWER EASEMENT BY WAY OF A QUITCLAIM OF EASEMENT, ACCEPTED A FEE OF \$500 REPRESENTING THE DEPRECIATED VALUE OF THE PIPELINE, AND AUTHORIZED THE GENERAL MANAGER OR DESIGNEE TO RECORD THE QUITCLAIM WITH THE ORANGE COUNTY RECORDER'S OFFICE AND TAKE SUCH OTHER ACTION NECESSARY TO EFFECTUATE THIS ACTION AND THE TRANSFER OF THE EASEMENT AND PIPELINE;**
- F. California Special District Association ("CSDA") – Southern Network Board Seat (Seat C) Election. THE BOARD VOTED TO SUPPORT MR. GREG MILLS OF SERRANO WATER DISTRICT IN THE CSDA ELECTION FOR THE SOUTHERN NETWORK BOARD MEMBER SEAT C, AND AUTHORIZED THE BOARD PRESIDENT TO TAKE SUCH ACTIONS AS REASONABLY NECESSARY TO EFFECT SUCH DIRECTION;**
- G. Orange County Transportation Authority ("OCTA") Clean-Up Allocation Committee Appointment of Marilyn Thoms. THE BOARD RECEIVED AND FILED THIS REPORT; and**
- H. Per-and Poly-Fluoroalkyl Substances ("PFAS") Status Report. THE BOARD RECEIVED AND FILED THE REPORT.**

**5. Action/Presentation Calendar.**

**\*\* The Board next heard Item 5(B) out of order, before returning to the balance of the agenda.**

**B. ID1 Capacity, Reliability, and Augmentation Project No. 1 – Progressive Design Build Agreement for Design and Construction of Project with Quanta Electric Power Construction Management, Inc.** Ms. Ohlund introduced this item, turning the presentation over to EOCWD Engineering Manager Jeff Smyth. Mr. Smyth then initiated the introduction of the Quanta-HDR Team, including Larry Johnson, Gary Binger, Luis Leon, and Steve Friedman, each of whom detailed their relevant experience. EOCWD’s Owner’s Representative, Ash Dhingra of ADK Consulting, was also introduced.

Jeff Smyth led the presentation, which included an overview of the project, before segueing into presentations from Larry Johnson and Garry Binger relative to the HDR-Quanta Team and the planned process and schedule for the ID1 Capacity and Reliability Augmentation (“CRA”) Project No. 1, which included Phase 1 to occur from June 2020 to March 2021, with a Guaranteed Maximum Price for the Phase 2 Construction work presented by January 2021; Phase 2 construction is anticipated to occur from March 2021 through December 2021. Mr. Smyth then provided an overview of the costs associated with Phase 1, and Ash Dhingra discussed the project management services he would be providing.

Director DULEBOHN commented that this is a big project for the District, and to feel comfortable about it would be wrong—but the District has done its best, and has a great team.

**ACTION TAKEN:** The Board, on motion by BELL, seconded by DULEBOHN, by roll call vote with BELL, DULEBOHN, MURDOCH, SEARS, and DAVERT voting aye, and 0 nays, approved and authorized the General Manager to execute the Progressive Design Build Agreement with Quanta Electric Power Construction for the ID1 CRA Project No. 1 with a design allowance in an amount not to exceed One Million Three Hundred Forty-Nine Thousand Thirty-Two and 00/100 Dollars (\$1,349,032.00) for Phase 1 services, subject to reasonable non-substantive changes otherwise agreeable to the General Manager and approved by General Counsel.

**\*\* The Board returned to the balance of the Agenda**

**A. COVID-19 Status Report.** Ms. Ohlund noted that she had nothing to add to her written report, but introduced Justin Glover of Communications Lab to discuss reopening plans. Mr. Glover noted that the District’s mission remains the same, to provide safe and reliable water and sewer service to its customers, and that that mission would guide reopening plans. Reopening plans would include (1) adopting utility worker checklists and office workplace guidelines, (2) implementing those lists and guidelines, and (3) monitoring employee health and county infection rates, among others.

Mr. Glover discussed how the District has already deferred enactment of its previously adopted February 2021 rate increase and has implemented a 3% budget decrease; this information will be conveyed to District customers. Mr. Glover also

discussed social media and web presence and statistics, and noted that the Foothill Sentry has indicated it will be returning to a print edition in July. Mr. Glover also commented on the Hazard Mitigation Plan e-newsletter to customers.

Ms. Ohlund complimented Mr. Glover's report, and added that the District is monitoring hospitalizations very closely. At this time, hospitalization/ICU rates were about the same, and the majority of deaths were at skilled nursing homes, as well as some from patients brought in from Imperial County. Ms. Ohlund hoped for an early July reopening of the office, and resumption of Board meetings as early as July, though in such event, she may ask two Board members to appear remotely in order to maintain 6-foot social distancing. Ms. Ohlund also indicated a plan for the last Emergency Operations Center meeting next Friday, returning to Duty Officer Status on the same day.

**ACTION TAKEN:** The Board, on motion by SEARS, seconded by MURDOCH, received and filed the COVID-19 Status Report, by unanimous roll call vote, with BELL, DULEBOHN, MURDOCH, SEARS and DAVERT voting aye, 0 nays.

**C. Budget Amendment and Purchase of 2020 Vactor 2110 Plus Combination Sewer Cleaning Truck.** Ms. Ohlund presented the item, indicating that District Sewer Supervisor, Justin Davis was in the audience to respond to any questions that may come up. Ms. Ohlund discussed the benefits of the Vactor 2110 Plus Combination Sewer Cleaning Truck over the originally anticipated Jetter Truck. Mr. Davis added that the boom feature of this truck will assist with spill response.

President DAVERT focused on the budget request for an \$86,000 increase, and asked Ms. Ohlund to discuss how the District has moved to in-house sewer cleaning. Ms. Ohlund confirmed and reminded the Board that the District had taken over in-house sewer cleaning, which involved two crews cleaning at the same time.

Director DULEBOHN supported the purchase, and recommended that the District take care of the truck as it was a large purchase, clarifying that meant covered parking, cleaning area, etc. Director BELL reported that the Engineering and Operations Committee supported the request.

**ACTION TAKEN:** The Board, on motion by BELL, seconded by DULEBOHN, approved an increase in the sewer capital improvement program budget account #7300803 by \$86,000, and the purchase of the 2020 Vactor 2110 Plus combination sewer cleaning truck in an amount not to exceed \$435,461.25, by unanimous roll call vote, with BELL, DULEBOHN, MURDOCH, SEARS and DAVERT voting aye, 0 nays.

**D. CalPERS Unfunded Liability Management Plan and Policy – Resolution No. 876.** Ms. Ohlund introduced the item, providing background on unfunded pension liabilities and the District's relatively small \$700,000 current liability, and provided an analysis as to the best method of addressing that liability. The options to address that liability includes the Public Agency Retirement System ("PARS") and, more recently, the CalPERS Section 115 Trust Program.

Ms. Ohlund outlined the District's goal to fund 100% of the unfunded liability over a 25-year period but minimizing the financing cost as much as possible. Currently, the

District has budgeted \$580,000 towards this issue, which would be proposed to be paying \$455,000 to CalPERS as a direct buydown, and \$125,000 to our PARS Section 115 Trust. The PARS investment, historically, has returned a better interest rate. The recommended program anticipated net savings of \$715,000 over 25 years.

**ACTION TAKEN:** The Board, on motion by SEARS, seconded by BELL, adopted Resolution No. 876 entitled “RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST ORANGE COUNTY WATER DISTRICT APPROVING A CALPERS UNFUNDED LIABILITY MANAGEMENT PLAN AND POLICY”, by a roll call vote of 4-0-1, with BELL, MURDOCH, SEARS, and DAVERT voting aye, 0 nays, and DULEBOHN abstaining.

**E. Amendment to 2020/2021 Budgets (Wholesale, Retail, Retail Capital Projects, and Sewer Systems).** Ms. Ohlund presented the item, providing an overview of the District’s overall water and sewer systems, and the current year highlights, including average rainfall and water sales in both the Retail (about the same as last year) and Wholesale Zones (about 500 acre-feet below 2019). Ms. Ohlund also discussed water quality, which included a Wholesale Zone Water Quality Study, as well as PFAS issues that affect both the Retail and Wholesale Zone areas. Ms. Ohlund highlighted that overall, the financial picture is still good despite COVID-19 impacts.

Focusing on the Retail Zone, Ms. Ohlund did discuss the impacts of COVID-19, with approximately \$30,000 in accrued impacts from the shut-off prohibitions arising in connection with the District’s initial voluntary suspension of shutoffs for non-payment that is now forced by an Executive Order from the California Governor.

Ms. Ohlund further provided an overview of the status of operations, and discussed changes in the Wholesale Zone. Ms. Ohlund’s overview also included a discussion of Wholesale, Retail, and ID1 Zone Projects.

President DAVERT briefly commented, noting that the report was very thorough, and had been reviewed by the Finance Committee. President DAVERT praised the budget reductions and rate deferral as a recognition of COVID-19 impacts to customers.. Director DULEBOHN agreed that there was a lot on the table, and emphasized the need to support this, in what will be a very aggressive year.

**ACTION TAKEN:** The Board, on motion by SEARS, seconded by DULEBOHN, by unanimous roll call vote BELL, DULEBOHN, MURDOCH, SEARS and DAVERT voting aye, 0 nays, adopted Resolution Nos. 877, 878 and 879 entitled:

“RESOLUTION OF THE BOARD OF DIRECTORS OF EAST ORANGE COUNTY WATER DISTRICT ADOPTING OPERATING BUDGET AND MAKING DETERMINATION RELATIVE TO APPROPRIATIONS SUBJECT TO LIMITATION FOR 2020/2021 FISCAL YEAR (WHOLESALE ZONE)”;

“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 2020/2021 FISCAL YEAR (RETAIL ZONE)” and

**“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 2020/2021 FISCAL YEAR (IMPROVEMENT DISTRICT 1).”**

**F. Adoption of Wholesale Rates and Charges.** Ms. Ohlund provided a brief overview, discussing how this is an annual item, largely ministerial by nature—as the rate included the increased capacity charge and decreases in the readiness to serve charges passed down from the Metropolitan Water District of Southern California (“MET”). Ms. Ohlund also noted that there is a higher cost associated with coming on and off the system, as demand varies.

**ACTION TAKEN:** The Board, on motion by MURDOCH, seconded by DAVERT, by unanimous roll call vote, with BELL, DULEBOHN, MURDOCH, SEARS and DAVERT voting aye, 0 nays, adopted Resolution No. 880 entitled “RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST ORANGE COUNTY WATER DISTRICT ESTABLISHING RATES AND CHARGES FOR THE SALE OF WATER ON A WHOLESALE BASIS WITHIN THE DISTRICT.”

**G. Authorization of Sanitary Sewer Service Charges for Fiscal Year 2020/2021.** Ms. Ohlund presented the item, noting that there are a lot of commercial customers on the sewer side, and that they have already seen one bankruptcy and a reduction in the receipt of sewer fees. Ms. Ohlund noted that a lot of funding was derived from commercial customers, so there will be budgetary impacts—anticipated \$100,000 of funding that will not be received.

President DAVERT mentioned that this was the final year of the District’s sewer rate commitment, and the District will have a sewer rate study this year. He reminded that the sewer rate had been unchanged for the last 5 years due to commitments from the transfer process.

**ACTION TAKEN:** The Board, on motion by BELL, seconded by SEARS, by a roll call 4-1 vote, with BELL, MURDOCH, SEARS, and DAVERT voting aye, and DULEBOHN voting nay, adopted Resolution No. 881 entitled “RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST ORANGE COUNTY WATER DISTRICT AUTHORIZING CERTAIN SANITARY SEWER CHARGES AND DIRECTING THE COUNTY TAX COLLECTOR TO INCLUDE SANITARY SEWER SERVICE CHARGES ON THE FISCAL YEAR 2020/2021 PROPERTY TAX BILLS.”



**6. 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 (April 30, 2020)

**ACTION TAKEN:** The Board, on motion by DULEBOHN, seconded by SEARS, 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 – May 2020.**

**ACTION TAKEN:** The Board, on motion by SEARS, seconded by DULEBOHN, received and filed the wholesale and retail water usage report, by unanimous roll call vote, 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 a variety of events, via videoconference participation, including:

Director SEARS reported attendance at meetings, though not all at District expense, the Foothill Community Association Board Meeting, the Water Advisory Committee Meeting of Orange County ("WACO"), and the Foothill Fire Safe Council Meeting. Vice-President BELL reported attendance at WACO, where he asked some questions, including relative to the Bay Delta Project. Director MURDOCH reported remote attendance at an ACWA meeting on May 29, 2020, and that he listened to the Orange County Water Association PFAS presentation on June 17, 2020. President DAVERT reported attendance at two Municipal Water District of Orange County ("MWDOC") Board meetings, on June 3 and 17, 2020, and attendance at a pre-agenda meeting at the District. Director DULEBOHN reported that he attended the Engineering Committee Meeting the week before.

**D. Monthly Legislative & Outreach Report.** Ms. Ohlund indicated that she had nothing to add to the material provided, but did comment on the State budget process, and the maneuvering that occurred relative to the budget deadlines, and the inclusion of potentially controversial items in trailer bills. Ms. Ohlund did mention that COVID and COVID-related workers compensation costs have the potential to add costs to workers compensation premiums.

**7. Informational Items**

**A. General interest publications.** Ms. Ohlund briefly noted issues relative to the Water Authority, and mentioned that MWDOC would come to give a presentation to the Board—including discussion of how MET is moving away from the 1928 Laguna Declaration that said MET was reliable, and would provide water for whatever was needed. With uncertainty in the Delta, and San Diego looking towards alternative sources, Southern California is moving away from regional water supply, and towards individual water supply obtainment.

Director DULEBOHN and President DAVERT engaged in a brief discussion over District's local supply, and its impacts from PFAS affecting reliability.

**8. Closed Session.** The Board adjourned to Closed Session at approximately 6:51 p.m.

**A. Closed Conference with Legal Counsel.** Anticipated Litigation - Initiation of Litigation pursuant to Government Code Section 54956.9(d)(4): One (1) Potential Case

**B. Report Out of Closed Session.** The Board reconvened in Open Session at approximately 7:04 p.m. Director SEARS left the meeting after the conclusion of Closed Session and did not return to Open Session. General Counsel Hoskinson announced that the Board took no reportable action in Closed Session.

**9. Adjournment.**

The Board adjourned the meeting at 7:05 p.m. The scheduled date of the next Regular Meeting of the Board of Directors is **July 16, 2020**, at 5:00 p.m., in the offices of the East Orange County Water District, 185 N. McPherson Road, Orange, California.

Respectfully submitted,

  
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Jeffrey A. Hoskinson