

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

July 18, 2013

1. **Call to Order.** A Regular Meeting of the Board of Directors of the East Orange County Water District was called to order by WILLIAM VANDERWERFF, President of the Board of Directors, at 5:00 p.m. on Thursday, July 18, 2013, 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 minutes with respect to Items 10(B) and 11 were recorded by General Manager OHLUND).

The following Directors were present: RICHARD BARRETT, RICHARD BELL, DOUGLASS DAVERT, JOHN DULEBOHN and WILLIAM VANDERWERFF.

Also present were:

LISA OHLUND	General Manager
JERRY MENDZER	Maintenance & Operations Superintendent
JOAN ARNESON	District Secretary and Legal Counsel
DOUG CHAPMAN	Former Director
ROB HANFORD	Golden State Water Company
KEVIN KOSHKO	IDModeling, Inc.

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

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

4. **General Manager's Report.** Ms. OHLUND elaborated on the item regarding the emergency water supply tankers ("water buffalos") being supplied to MWDOC's agencies under a grant program.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the General Manager's Report was received and filed.

5. **Minutes.**

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the minutes of the meeting of June 20, 2013 were approved as submitted.

7. **Financial Matters.**

A. **Schedule of Disbursements.** Schedules of disbursements in the following amounts were presented: \$648,652.13 from Wholesale and Retail Operating Funds, \$0 from the Chapman Avenue Account (closed), \$1,850.44 for directors payroll, and \$38,374.08 for employees payroll. On behalf of the Finance Committee, Director DAVERT recommended approval.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the schedules of disbursements were approved as submitted.

B. **Investment Activity.** On behalf of the Finance Committee, Director DULEBOHN recommended approval of the investment schedules.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the schedules of investments were ratified and approved.

C. **Financial Statements (May 31).** On behalf of the Finance Committee, Director DULEBOHN recommended receipt and filing of the financial statements.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the financial statements were received and filed.

D. **Statement of Auditing Standards (SAS) No. 114.** Ms. OHLUND explained that the auditor will meet with the Finance Committee, and Board members can also contact the auditors if they wish.

8. **Miscellaneous Matters.**

A. **Authorization of Conference Attendance.** Director BELL said he would like to attend the Urban Water Institute conference. Directors BELL and VANDERWERFF said they were interested in attending the Water Policy Forum.

ACTION TAKEN:

Upon motions duly made, seconded and carried unanimously, Director BELL was authorized to attend the Urban Water Institute 20th Annual Conference , and Directors BELL and VANDERWERFF along with the General Manager were authorized to attend the MWDOC Water Policy Forum Dinner.

B. Change in August Meeting Date. It was the consensus that the August regular meeting be rescheduled for August 13, 2013.

C. California Special Districts Association (CSDA) Region 6 Board Election. .

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the General Manager was authorized and directed to cast the District's ballot for reelection of Bill Nelson for Seat B, Region 6, CSDA Board of Directors.

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

E. Directors' Reports on Meetings Attended. None.

10. Closed Session. President VANDERWERFF announced that the Board would meet in the following closed session as listed in the agenda: (A) conference with labor negotiators (Govt. Code §54957.6) – agency designated representatives: Directors Bell and VanderWerff – unrepresented employees: Maintenance & Operations Superintendent; Office Manager; Distribution Worker III; Distribution Worker I.

OPEN SESSION

Open session was resumed. No action was reported from the closed session.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, a merit pool was created allowing the General Manager to approve increases as follows: Operations & Maintenance Superintendent – 3.5%, Office Manager – 1%, Distribution Worker III – 1% and Distribution Worker I – 2.5%; part-time Office Assistant – 7%; and absorb the cost of health (8%)/dental (2%)/vision (0%)/life insurance (16%) increase for employee plus one.

Reduction of Employer-Paid Member Contribution to PERS. Ms. Ohlund said it was recommended that the Board reduce the employer-paid portion of the member contribution from 7% to 6%, with an offsetting 1% increase in pay (in addition to the above-adopted merit increases) to make the action initially financially neutral to the employees. This will begin the process of requiring the employees to pay the entire member contribution by 2018.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, Resolution No. 723 was 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"

6. Operation, Management and Construction Matters.

A. Water network monitoring and management software. Mr. KEVIN KOSHKO, of IDModeling, Inc., was introduced, and he made a slide presentation regarding his company's proposal for provision and installation of Sedaru water network monitoring and management software. He presented background information on the company, important features of the software, ease of training and use, and he gave a "tour" of one client agency's software showing real-time events with system assets such as hydrants. He responded to questions concerning addition of newly-installed facilities, training, and how this compares with other systems used by agencies for a similar purpose. Ms. OHLUND said the pricing reflected an incentive for EOCWD to become an early user of this product in southern California, the first in Orange County. She commented on the cost and time savings to the District from streamlining of various employee tasks. She noted that the District will need to buy three tablet computers to use the system. Director DULEBOHN felt it was significant that this product included maintenance by the provider rather than the agency. Director DAVERT said non-monetary benefits of improved service to customers will also be realized. Director BARRETT inquired about staff's review of competing systems, and Ms. OHLUND said other systems evaluated were very good, but didn't appear to be as fully utilized by field crews as this one.

ACTION TAKEN:

Upon a motion duly made, seconded and carried 4-1 (BARRETT voting no), that a one-year contract be approved with IDModeling for provision and installation of Sedaru Water Network Monitoring and Management Software, in the amount of \$17,500, inclusive of a \$7,900 set-up fee and a \$9,600 subscription fee, with four one-year renewal options at \$9,600 per year, for a total five-year fixed price total of \$55,000, and that staff be authorized to execute a contract containing such terms and incorporating the June 14, 2013 proposal.

B. Water Demand Status Report. Ms. OHLUND said that as of the end of the water year, wholesale demand was higher than recent years, and retail demand was approximately equal to the average for recent years.

9. Informational Items. None. President VANDERWERF distributed a handout from WACO on an upcoming Doheney desalination project tour.

10. Closed Session. President VANDERWERFF announced that the Board would meet in the following closed session as listed in the agenda: (B) conference with special legal counsel – anticipated litigation – initiation of litigation pursuant to Government Code Section

54956.9(d)(4) (two potential cases). Ms. ARNESON was excused and left the meeting prior to this closed session.

OPEN SESSION

Open session was resumed. No action was reported from the closed session.

11. Adjournment.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the meeting was adjourned at 6:25 p.m., to Tuesday, August 13, 2013, 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