

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

April 16, 2015

**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, April 16, 2015, 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: RICHARD BELL, DOUGLASS DAVERT, JOHN DULEBOHN, SEYMOUR EVERETT and WILLIAM VANDERWERFF. Also present were:

LISA OHLUND	General Manager
JERRY MENDZER	Maintenance & Operations Superintendent
SYLVIA PRADO	District Administrative Assistant
JOAN ARNESON	District Secretary and Legal Counsel
SHAWN DEWANE	Raymond James Financial Services, Inc.

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

**3. Items Arising After Posting of Agenda.** Ms. ARNESON said there was a need to discuss a newly filed case, naming the District as a real party in interest, in closed session.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, it was determined that the need to take immediate action on the proposed closed session matter came to the District's attention after posting of the agenda and such item was added to the agenda.

**4. General Manager's Report.** Ms. OHLUND said she did not have anything to add to her written report. There were no comments or questions.

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 March 19, 2015 were approved as submitted.

## 6. Operation, Management and Construction Matters.

A. Water Shortage Level Declaration. Ms. OHLUND made a presentation on the current shortage, including the Governor's executive order issued on April 1 and the subsequent actions of the State Water Resources Control Board to establish mandatory reductions for each water agency, based on gallons per capita per day, to achieve the statewide 25% reduction set forth in the executive order. She said the SWRCB's draft framework showed EOCWD with a 35% reduction target, but EOCWD met the criteria for a small agency that was not an urban water supplier, and should have a 25% target. The proposed allocation of Metropolitan Water District was also discussed. In light of the final action of the SWRCB to establish the reductions anticipated in early May, Ms. OHLUND recommended that the Level 2 shortage declaration be made under the District's ordinance, so that staff can begin implementing changes in the billing system to reduce allocations and pursue outreach efforts to inform customers of what will be required. CommunicationsLab has prepared a menu of outreach efforts. She also recommended the retention of "zanjero" services through a part-time employee position or shared services arrangement, to assist staff in working with customers.

### ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, Resolution No. 752 was adopted, entitled: "Resolution of the Board of Directors of the East Orange County Water District Declaring Water Conservation Level II To Be In Effect And Authorizing Implementation;" staff was authorized to retain "zanjero" services through a part-time employee position or shared services arrangement at a cost not-to-exceed \$15,000; and the execution of Amendment No. 2 to the contract with CommunicationsLab was authorized, providing for targeted drought communications assistance for a six-month period at a cost not-to-exceed \$30,000.

## B. Rate Study Consultant Services.

### ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, a contract was awarded to Raftelis Financial Consultants in an amount not-to-exceed \$35,000 to perform a water rates, fees and charges study.

C. Sewer Transfer Plan of Service. Ms. OHLUND reported that in addition to the necessary changes in the plan of service as mentioned in the April 11, 2015 meeting, it was necessary to amend the agreement with Orange County Sanitation District to provide for release of all funds up front rather than over time, to extend the term and to include further provisions regarding sewage collection.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the General Manager was directed to make revisions as needed to update the sewer transfer plan of service in accordance with most current technical and financial information and submit such revised plan to LAFCO, and to execute Amendment No. 1 to the Local Sewer Facilities Transfer Agreement.

D. Meter Charge Designation. Ms. OHLUND reported that staff recommended changes in the District's designation of meter charges, as the existing designation results in misunderstanding of the nature of the charges.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the designation of meter charges was revised as recommended.

7. Financial Matters.

A. Schedule of Disbursements. Schedules of disbursements in the following amounts were presented: \$282,336.39 from Wholesale and Retail Operating Funds, \$2,156.12 for directors' payroll, and \$40,089.09 for employees' payroll.

B. Investment Activity. Schedules of investments were presented. SHAWN DEWAYNE updated the Board on the District's fixed income portfolio analysis.

C. Financial Statements (February 28). The financial statements were presented.

On behalf of the Finance Committee, Director DULEBOHN 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, the schedules of disbursements were approved as submitted, the schedules of investments were ratified and approved, and the financial statements were received and filed.

D. Engagement of Auditor. Ms. OHLUND reported that Paul Kaymark, who has been performing audit services for the District, was now with Pun Group. She noted that Mr. Kaymark will continue to prepare the audited statements, with a new managing principal who will verify GAAP and GASB compliance.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the engagement of the Pun Group for audit services for the fiscal years 2015-17, at a total amount not to exceed \$37,500 (\$12,500 per year), was approved.

**8. Miscellaneous Matters.**

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

B. Directors' Reports on Meetings Attended. Director DAVERT reported on his attendance at meetings with representatives of Mesa and Serrano Water Districts. Ms. OHLUND described the tour she and Director BELL attended to view the desalination plant, and President VANDERWERFF reported on discussion with Golden State Water Company representatives.

C. Authorization of Conference Attendance.

ACTION TAKEN:

Upon motions duly made, seconded and carried unanimously, Directors EVERETT and VANDERWERFF were authorized to attend the MWDOC Elected Officials Forum dinner, Director EVERETT was authorized to attend the Infrastructure Summit, and all Directors were authorized to attend the OC water Summit.

D. Orange County Sanitation District #7 Local Sewer Service Reorganization – Status Report. Ms. OHLUND said she had nothing to add to the report.

E. Water Demand Status Report. Ms. OHLUND reported that with warm, dry conditions March usage was up, over 2014.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the Water Demand Status Report was received and filed.

F. Drought Response Report.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the Drought Response Report was received and filed.

**Closed Session.** President VANDERWERFF announced that the Board would meet in a closed session pursuant to Government Code Section 54956.9(d)(1), and Ms. ARNESON identified the case, *Successor Agency to the Tustin Community Redevelopment Agency v. Cohen*.

Director Davert noted that he had a potential conflict as a result of his participation with the Redevelopment Oversight Board, and recused himself from the closed session.

OPEN SESSION

Open session was resumed, with all Directors present. No action was reported from the closed session.

**9. Informational Items.**

A. General Interest Publications. Included were *Pacific Standard Magazine* – “How to Convince People to Save Water, Using Psychology;” *Sacramento Bee* Capitol Alert – “How Jerry Brown made up his mind on drought order;” *KCRA.com* – “Leaky pipes a big source of wasted water in California.”

**10. Adjournment.**

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the meeting was adjourned at 6:30 p.m., the next regular meeting date and time being Thursday, May 21, 2015, 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,



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Joan C. Arneson