

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

August 17, 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, Director, at 5:05 p.m. on Thursday, August 17, 2017, in the offices of the East Orange County Water District, 185 N. McPherson Road, Orange, California. JEFF HOSKINSON, Secretary, recorded the minutes of the meeting.

The following Directors were present: DOUGLASS DAVERT, JOHN DULEBOHN, and JOHN SEARS. Directors RICHARD BELL and SEYMOUR EVERETT was absent. Also present were:

LISA OHLUND	General Manager
JERRY MENDZER	Maintenance & Operations Superintendent
SYLVIA PRADO	District Administrative Assistant
JEFF HOSKINSON	District Secretary and Legal Counsel
CINDY BYERRUM	District Treasurer
NICHOLAS J. ARHONTES	Consultant
JOHN LEWIS	Lewis Consulting Group
DEBORAH FOX	Meyers, Nave

2. Public Communications to the Board. None.

3. Items Arising After Posting of Agenda. None.

4. Consent Calendar.

ACTION TAKEN:

Upon a motion by DULEBOHN, seconded by SEARS, which carried unanimously among Directors present, the Board adopted the consent calendar actions were adopted as follows:

- A. Minutes: THE MINUTES OF THE JULY 20, 2017 REGULAR MEETING OF THE BOARD WERE APPROVED AS SUBMITTED;
- B. General Manager's Report: THE GENERAL MANAGER'S REPORT WAS RECEIVED AND FILED;
- C. Acceptance of Crawford Canyon Road Improvements: THE BOARD ACCEPTED THE CRAWFORD CANYON ROAD IMPROVEMENTS PROJECT, AND AUTHORIZED STAFF TO RECORD A NOTICE OF COMPLETION;

- D. Correction to Effective Date of Change to Employer Paid Member Contribution Amount to the California Public Employees Retirement System (CalPERS): THE BOARD ADOPTED RESOLUTION NOS. 812, ENTITLED, "RESOLUTION OF THE BOARD OF DIRECTORS OF EAST ORANGE COUNTY WATER DISTRICT MODIFYING EMPLOYER PAYMENT OF EMPLOYEE CONTRIBUTION TO PUBLIC EMPLOYEES' RETIREMENT SYSTEM";
- E. ACWA Regional 10 Board Ballot: THE BOARD CONCURRED WITH THE SLATE RECOMMENDED BY THE NOMINATING COMMITTEE, AND DIRECTED STAFF TO SUBMIT THE BALLOT.

At the pleasure of the Board, and to accommodate those present, Items 6C was heard before Item 5A .

6. Financial Matters

C. Receipt and filing of financial statements. The Board heard a report and presentation from Cindy Byerrum, District Treasurer, relative to Wholesale Zone, Retail Zone, and Sewer Financial Statements for period ending June 30, 2017. Ms. Ohlund discussed sewer expenses, and claims against Orange County Sanitation District without insurance, and booked losses of \$900,000 for capital repairs from sewer reserve fund. Expenses were not reflective of anticipated operating expenses, such that sewer expenses will appear higher. Sewer Service Fees reinstated for \$250,000 down from Fiscal Year 2013/14, \$61,000 less than this year. SEARS asked for summary of expense irregularities.

ACTION TAKEN:

Upon a motion by SEARS, seconded by DULEBOHN, which carried unanimously among the Board members present, the Board received and filed the Financial Statements as presented.

5. Operation, Management and Construction Matters

- A. Alexander Lane/Stoller Lane Water Improvements Project – Award of Contract to Doty Bros. Equipment Company, dba Doty Brothers Construction Company.

ACTION TAKEN:

Upon a motion by SEARS, seconded by DULEBOHN, which carried unanimously among the Board members present, the Board approved the award of a Contract to Doty Brothers Equipment Company in a not-to-exceed amount of \$230,000 for the construction of Alexander Lane/Stoller Lane water improvements.

B. Appointment of Jeffrey A. Hoskinson as District Counsel/Board Secretary.

ACTION TAKEN:

Upon a motion by SEARS, seconded by DULEBOHN, which carried unanimously among the Board members present, the Board appointed Jeffrey A. Hoskinson as District Counsel and Board Secretary.

C. General Manager Employment Contract and Salary Increase.

ACTION TAKEN:

Upon motion by SEARS, seconded by DULEBOHN, which carried unanimously among the Board members present, the Board confirmed the salary increase to the General Manager of \$195,000 per annum, and approved the proposed General Manager's Employment Contract.

6. Financial Matters

A. Approval of schedules of disbursements; and

B. Report on investments/ratification of investment activity.

ACTION TAKEN:

Upon motion by DULEBOHN, seconded by SEARS, which carried unanimously among those Board members present, the Board approved the schedules of disbursements as submitted, and ratified and approved the schedule of investments, as presented in Items 6A and 6B.

D. Recap of Final Costs for Circula Panorama Pressure Reducing Station and Crawford Canyon Water Improvements. Ms. OHLUND discussed the total project savings of \$211,804, from proceeding on a time and material basis for the projects as opposed to utilizing the bids received.

7. Miscellaneous Matters

A. Conference and Meeting Attendance Requests. The Board discussed an upcoming Groundwater Replacement Committee meeting, to which President DAVERT planned to attend. Staff would check with Directors BELL and EVERETT to ascertain interest. Director DULEBOHN indicated an intent to attend a tour of Prado Dam.

B. Wholesale and Retail Water Usage Report. Ms. OHLUND made a brief comment on the proposed in-lieu program to utilize Metropolitan Water District of Southern California Water ("MET"), to allow for groundwater recharge in the Orange County basin.

ACTION TAKEN:

Upon motion by DULEBOHN, seconded by SEARS, which carried unanimously among those Board members present, the Board received and filed the wholesale and retail water usage report.

C. Director's Comments. Director SEARS raised a question relative to the 2017 Wellness Grant from OCSD. Ms. OHLUND responded that the funds were used for programs effecting employees everyday health, including a yoga/stretching session at lunch.

D. Reports from Committees and Representatives to Organizations. None

E. Director's Reports on Meetings Attended at District Expense (Govt. Code § 53232.3.). Director SEARS reported that he attended WACO on August 4, 2017. The discussion centered on ancient water in the Ranch Santa Margarita and Mission Viejo areas, and drilling that is occurring to determine the quality of the water. Such water has never been captured, and would be a boon if available. President DAVERT reported that he attended the regular ISDOC Meetings.

F. Regional/State Issues. John Lewis of Lewis Consulting Group made a presentation on various regional and State issues, including on state survey relative to big water issues as viewed by Northern and Southern Californians. Mr. Lewis also discussed the most recent Orange County LAFCO meeting, where unincorporated county islands were discussed. Mr. Lewis also discussed recent articles and releases relative to USGS concerns over active volcanos, including three high risk locations at Shasta, Lassen, and Long Valley. Ms. Ohlund also discussed the California Fix project, and exposure of South County and North County being different.

8. Closed Sessions. President DAVERT announced that the Board would meet in closed sessions listed in the agenda as follows:

- A. Closed Conference with Legal Counsel – Anticipated Litigation - Initiation of Litigation pursuant to paragraph (3) of subdivision (d) of Government Code Section 54956.9: two potential cases
- B. Closed session – Conference with Legal Counsel – existing litigation pursuant to paragraph (1) of subdivision (d) of Government Code Section 54956.9 – Paul Nguyen v. East Orange County Water District, Case No. 30-2017-00934730-CU-PT-CJC.
- C. 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-WMCJC.

- D. Open Session Report Out: The Board reported out of closed session that, with respect to Item No. 8(B), the Board voted unanimously, among those members present, on motion from SEARS, seconded by DULEBOHN, to deny the claim of Mr. Paul Nguyen.

9. **Adjournment.**

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the meeting was adjourned at 6:15 p.m., with the next regular meeting date and time being Thursday, September 21, 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,


Jeff Moskison