

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

May 16, 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 5:05 p.m. on Thursday, May 16, 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
JOSE DIAZ	City of Orange
ROB HANFORD	Golden State Water Company

2. **Public Communications to the Board.** JOSE DIAZ, City of Orange Water Manager, was recognized. He indicated that the City and EOCWD have had a good relationship and he hoped that will continue. He said he was working with Ms. OHLUND on a water importation matter and expects to successfully resolve it. Ms. OHLUND added that the City has requested to restart the Chandler Ranch Road connection and she appreciated working with Mr. DIAZ.

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

4. **General Manager's Report.** In response to President VANDERWERFF, Ms. OHLUND said she will have a further report at a future meeting concerning the item involving trees within the District's pipeline easement. Ms. OHLUND elaborated on the report concerning the removal of carpenter ants at the 6MG reservoir.

ACTION TAKEN:

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

5. **Minutes.**ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (Bell and Davert absent), the minutes of the meeting of April 18, 2013 were approved as corrected.

6. **Operation, Management and Construction Matters.**

A. **OCWD Annexation Request.** Ms. OHLUND reported that a joint letter to OCWD from several producers was included in the agenda package. She said the EOCWD was just seeking to avoid the shifting of costs to other producers.

B. **Vista Panorama Hydrant Replacements.** Ms. OHLUND reported that the hydrant replacement work was complete.

C. **Department of Water Resources Video on the Bay Delta Conservation Plan.** Ms. OHLUND said she had seen this short video at a recent meeting and played it for the Board. Discussion followed regarding the ongoing efforts on the plan and environmental documents.

D. **Water Demand Status Report.** Ms. OHLUND said demand was trending at about the same level as 2011 - 2012.

E. **District Website Rollout Status and Orange County Grand Jury Transparency Update Request.** Ms. OHLUND reported on the new website rollout, and said that customer feedback is positive. She said staff responded to the Grand Jury that their recommended changes have been made on the website.

7. **Financial Matters.**

A. **Schedule of Disbursements.** Schedules of disbursements in the following amounts were presented: \$377,007.06 from Wholesale and Retail Operating Funds, \$0 from the Chapman Avenue Account (closed), \$2,174.16 for directors payroll, and \$34,456.85 for employees payroll. On behalf of the Finance Committee, Director DULEBOHN recommended approval.

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

C. **Financial Statements (March 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 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 Fedak's proposal was most responsive, including meeting with the Finance Committee, in keeping with a generally recommended accounting practice for the auditors to meet directly with the policy makers. Rotation was discussed, and it was noted that the services have been competitively bid for many years.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the engagement of Charles Z. Fedak & Company under a five-year contract for audit services for the fiscal years 2012-13, 2013-14, 2014-15, 2015-16 and 2016-17, at a total amount not to exceed \$70,000 (\$14,000 per year) was approved.

E. OCWD Adopted Budget. Ms. OHLUND reported that the adopted OCWD budget and OCWD's effort to manage its costs are a significant element in EOCWD's budget.

8. Miscellaneous Matters.

A. Proposed Changes to ISDOC Bylaws. Director DAVERT proposed that the bylaws not require the designation of the president as the member's representative to ISDOC, but allow that selection to be each district's prerogative. It was the consensus that this comment be submitted to ISDOC.

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

E. Directors' Reports on Meetings Attended. None.

9. Informational Items. 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 legal counsel – anticipated litigation – initiation of litigation pursuant to Government Code Section 54956.9(d)(4) (one potential case involving break-in at Peters Canyon 6MG Reservoir).

OPEN SESSION

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

President VANDERWERFF then 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 7:40 p.m., the next regular meeting date and time being Thursday, June 20, 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