

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

January 16, 2014

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, January 16, 2014, in the offices of the East Orange County Water District, 185 N. McPherson Road, Orange, California. JEFFREY HOSKINSON, Acting Secretary, recorded the minutes of the meeting (the minutes with respect to Items 8, 10(B), 10(c), 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
JEFFREY A. HOSKINSON	Acting District Secretary and Legal Counsel
ROB HANFORD	Golden State Water Company
KEVIN HUNT	Hunt Water Resources
DOUG CHAPMAN	Member of the public
BOB ARMSTRONG	MWH

2. Public Communications to the Board. Public comment made by Mr. Hanford of Golden State Water Company thanking DISTRICT for cooperation during the Metropolitan Water District of Southern California (MET) shutdown of the Allen-McColloch Pipeline for inspection and maintenance work.

3. Items Arising After Posting of Agenda. None.

4. **General Manager's Report.** Ms. OHLUND presented her report to the BOARD. The BOARD discussed the Crown Castle lease, and issues relative to AT&T and Crown Castle leases and Crown Castle's purchase of AT&T tower. Director BARRETT inquired about roof repair at Peters Canyon Reservoir, regarding seismic compliance, and a discussion ensued regarding the structural integrity of the existing reservoir roof, and the effort to assess the seismic stability of the reservoir. Director BARRETT inquired as to whether there was concrete underlying the plastic lining, to which Mr. MENDZER indicated that there was concrete underlying the plastic. Ms. OHLUND indicated this work would be reviewed by the Engineering Committee in the near future.

ACTION TAKEN:

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

5. **Approval of Minutes of the December 19, 2013 Meeting.** Mr. BELL identified that certain statements regarding the reliability of Colorado River Water attributed to him in the draft minutes were in fact attributable to Mr. HANFORD, and reiterated that his concerns centered around the need to improve water salinity and hardness (TDS, calcium and manganese), among other things, as a focus of the analysis in the water treatment plant feasibility study.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the minutes of the December 19, 2013 regular meeting were approved, as amended to reflect the concerns regarding future reliability of Colorado River water in the draft minutes were attributable to MR. HANFORD and the need to ensure customer satisfaction with the local water supply were in fact attributable to Mr. BELL.

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

A. **Presentation re Orange County Sanitation District No. 7.** BOARD received PowerPoint presentation from Ms. OHLUND regarding Orange County Sanitation District, Local Sewer Area No. 7 ("OCSD No. 7"), and possible acquisition by the DISTRICT. Ms. OHLUND outlined basic steps for approval, which could include, but not be limited to, LAFCO approval, annexation of areas outside the District's current boundaries in Orange, Tustin, and IRWD territory, transfer of property taxes and user fees, and the approval of an agreement by the BOARD.

Director BARRETT inquired as to whether some of the equipment currently used to service OCSD No. 7 would be transferred with the territory, to which it was indicated that could be part of the negotiated terms. The BOARD discussed benefits and liabilities of such responsibility, including responsibility for sewage spills that reach surface water bodies, and risk of sewage backups, all of which would be a focus of maintenance obligations that were discussed within the

presentation. OCSD's maintenance schedule for OCSD No. 7 was discussed, as well as the maintenance responsibilities that would be associated with the provision of such service.

ACTION TAKEN: NONE

- B. Hunt Resource Strategies Engineering Services Contract for Conceptual Review of the Rebuilding of Peters Canyon Treatment Plant. BOARD discussed award of contract to Hunt Resource Strategies, as discussed before the Engineering Committee, to look at areas of water quality and demand, to assess need for the rebuilding of the Peters Canyon Treatment Plant. The Contract, in an amount not-to-exceed \$14,500, would provide for the provision of a report to review whether project would enhance reliability and improve water quality, and otherwise review the need for and approach to rebuilding the treatment plant. It is anticipated that the review will involve a two-month process. Director BELL suggested that the amount of the approval be established at \$20,000, rather than the existing \$14,500, in order to provide DISTRICT staff with flexibility for unforeseen circumstances.

ACTION TAKEN:

Upon a motion duly made, seconded, and carried unanimously, the BOARD approved the contract, as proposed, with Hunt Resource Strategies in amount not-to-exceed \$20,000.

- C. Wholesale and retail water usage report. An error was identified in the report, an incorrect version of the Wholesale Zone and Retail Zone graphs were included in the agenda. In a discussion regarding historic demand, Ms. OHLUND indicated that 2010 demand reflected in the report was prior to rate increases, and that demand had fallen in 2011 and 2012. In 2013, demand is returning to 2010 levels—at 1,100 acre-feet. In recent years, the lowest amount of water demand was 925 acre-feet, and the highest 1,200 acre-feet.

ACTION TAKEN: None

7. Financial Matters.

A. Schedule of Disbursements. Schedules of disbursements in the following amounts were presented: \$698,548.18 from Wholesale and Retail Operating Funds, \$2,760.07 for directors payroll, and \$39,341.78 for employees payroll.

B. Report on Investments/Ratification of Investment Activity. Report made on investment activity.

C. Receipt and Filing of Financial Statements.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, (1) the schedules of disbursements were approved as submitted, (2) the report of investments and investment activity were ratified and approved, and (3) the financial statements were received and filed.

8. Miscellaneous Matters.

A. Authorization of Meeting Attendance

- 1) MWDOC Water Policy Forum & Dinner – February 6, 2014. Discussion that President VANDERWERFF and Director BELL would attend the MWDOC Water Policy Forum & Dinner.
- 2) Urban Water Institute Spring – February 19-21, 2014. Discussion that Ms. OHLUND would attend the Urban Water Institute Annual Spring Conference.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, it was determined that (1) President VANDERWERFF and Director BELL would attend the MWDOC Water Policy Forum and Dinner, and (2) Ms. OHLUND would attend the Urban Water Institute Annual Spring Conference.

- B. Reports from committees and representatives to organizations. None
- C. Director's Reports on Meetings Attended: None
- D. Committee/Designated Representative Assignments by President. No action.

Change to Next Meeting Date. The BOARD discussed changing the next meeting date from February 20, 2014, to February 27, 2014, due to the General Manager's duties at the Urban Water Institute Annual Spring Conference and the date conflict it presented,

E. ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the Board approved a change to the meeting date, such that the February 20 meeting will be adjourned to February 27, 2014.

9. Informational Items.

- A. General Interest Publications. No action.

10. Closed Session.

- A. **Conference with Real Property Negotiators (Closed Session).** President VANDERWERFF announced that the Board would meet in the following closed session as listed in the agenda as Closed Session Item 10(A), to hold a conference with its real property negotiators (Government Code Section 54956.8) regarding local sewer improvements and associated real property rights (known as Orange County Sanitation District Service Area #7) generally located within the City of Tustin, the unincorporated County of Orange area referred to as the East Orange/Tustin Foothill/Lemon Heights/Cowan Heights area and a portion of the City of Orange referred to as the El Modena area. Mr. HOSKINSON was excused and left the meeting prior to this closed session.
- B. **Conference with Legal Counsel** – Anticipated Litigation – President VANDERWERFF announced that the Board would meet again in the following closed session as listed in the agenda as Closed Session Item 10(b) - Conference with Legal Counsel – Government Code § 54956.9(d)(4).

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 6:10 p.m., to Thursday, February 20, 2014, 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,



Jeffrey A. Hoskinson