

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

September 20, 2012

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, September 20, 2012, 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 BARRETT, DOUGLAS CHAPMAN, JOHN DULEBOHN and WILLIAM VANDERWERFF.

Also present were:

LISA OHLUND	General Manager
JERRY MENDZER	Maintenance & Operations Superintendent
JOAN ARNESON	District Secretary and Legal Counsel

2. **Public Communications to the Board.** None.
3. **Items Arising After Posting of Agenda.** None.
4. **General Manager's Report.** Director BARRETT asked whether staff has plans to repair the West Well pump vibration. Ms. OHLUND recommended that this be deferred, as the East Well can meet demands and a joint well project evaluation with Irvine Ranch Water District (IRWD) is ongoing. President VANDERWERFF commended the report and Ms. OHLUND noted that Mr. MENDZER prepares a large part of it.

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 absent), the minutes of the meeting of August 16, 2012, were approved as submitted.

6. Operation, Management and Construction Matters.

A. Engine-Driven Pump. Ms. OHLUND reported on a pump leased by IRWD to boost pressures in the Orange Park Acres service area and will be returned to the leasing company as IRWD has no further need for it. She recommended its acquisition based its price compared to a new pump, its low usage, service record and other features, and Psomas' evaluation that it can be useful to EOCWD in the Via del Cerro area for fire flow. Director DULEBOHN asked whether IRWD had used it, and Ms. OHLUND said it had not been used but had been tested. Director CHAPMAN asked about portability and moving water from the 1 MG to the 11.5 MG reservoir. Ms. OHLUND said staff would evaluate the 1 MG to 11.5 MG scenario and that it could be used at other areas in the service area.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (Bell absent), the purchase of a used Godwin engine-driven pump from Irvine Ranch Water District for a price of \$31,500 was approved.

B. Peters Canyon Storm Damage Repairs. Ms. OHLUND said considerable evaluation of the right repair has occurred in committee, and implementation has also been delayed to await the cabling installation per the agreement with AT&T. She discussed the disparity in the bid prices, but notwithstanding its lower price Champion has a good understanding of the work. She added that it is necessary to proceed because Cal EMA wants to release the funds for the work by the end of the year.

C. Rules and Regulations for Water Use – Retail Zone. Ms. OHLUND reported that she will be bringing a revised fee schedule to the Board to incorporate the non-Proposition 218 fees and conform them to the new Rules and Regulations. President VANDERWERFF asked the Board members to review the draft and note any comments or needed revisions.

D. Water Demand Status Report. Ms. OHLUND said demand is a little higher than last year.

7. Financial Matters.

A. Schedule of Disbursements. Schedules of disbursements in the following amounts were presented: \$589,365.59 from Wholesale and Retail Operating Funds, \$0 from the Chapman Avenue Account, \$3,068.08 for directors' payroll, and \$51,606.72 for employees' payroll. On behalf of the Finance Committee, Director CHAPMAN recommended approval.

ACTION TAKEN:

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

B. Investment Activity. Ms. OHLUND discussed modified procedures for transfers to and from LAIF, after closing the money market account. On behalf of the Finance Committee, Director CHAPMAN recommended approval of the investment schedules.

ACTION TAKEN:

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

C. Financial Statements (July 31). Director DULEBOHN noted a correction needed on page 1. On behalf of the Finance Committee, Director CHAPMAN recommended receipt and filing of the financial statements.

ACTION TAKEN:

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

D. California Bank & Trust – Banking Services Authorization For Treasurer and Office Manager. Ms. OHLUND said to facilitate funds transfers, the Office Manager must be able to access fund balance information, the Treasurer needs to have electronic transfer authorization and Ms. Mackall's authorization should be removed for proper internal controls.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (Bell absent), addenda to the master agreement with California Bank & Trust on the checking and money-market services accounts were approved, designating the Treasurer and Office Manager as administrators and users with specified authority and removing Carolyn Mackall as an administrator and user.

8. Miscellaneous Matters.

A. Urban Water Institute Annual Conference. Ms. OHLUND commented on the discussion of the conveyance facilities proposal, noting that the Governor has made it a top priority, but the price will be higher, as the co-equal goal of environmental protection is added to the historic goal of lowest cost water supply, and she added that the impact on urban suppliers is less than on agriculture. Director BARRETT thanked Ms. OHLUND for her detailed report included in the agenda packet.

B. Authorization of Conference Attendance.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (Bell absent), Director DULEBOHN and the General Manager were authorized to attend the ACWA Fall Conference.

C. California Special Districts Association Membership. Ms. OHLUND reported that in response to the District's request that dues be based on the Retail Zone budget only, CSDA has agreed to do so for the first year, plus a 20% new member discount. The Board discussed whether the benefits of membership would justify the cost.

ACTION TAKEN:

Upon a motion duly made, seconded and carried on a 3-1-1 roll call vote (CHAPMAN voting no and Bell absent), a one-year trial membership in CSDA at the reduced rate of \$2,572 was approved.

D. 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 – significant exposure to litigation (Government Code Section 54956.9(b)) (one potential case).

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 6:20 p.m., the next regular meeting date and time being Thursday, October 18, 2012, 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