

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

November 21, 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 5:00 p.m. on Thursday, November 21, 2013, 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

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

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

4. **General Manager's Report.** Ms. OHLUND indicated she had nothing to add to the General Manager's report. Director BELL noted a correction of a reference to "dioxin" to "dioxide."

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 September 19, 2013 Regular and Special Meetings and the October 17, 2013 Meeting

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the minutes of the September 19, 2013 regular and special meetings, and the October 17, 2013 regular meeting, were approved.

6. Operation, Management and Construction Matters

- A. Hiring, Salary and Benefits Continuance Recommendations. Ms. OHLUND presented item, discussing the hard work and service of a current temporary employee the District wished to hire full-time as a Water Distribution Operator I, and to continue benefits of a Water Distribution Operation III who is on leave for a period not-to-exceed six months while his work status is being determined. President VANDERWERFF inquired as to whether there were additional costs to the District, and the BOARD discussed the salary range of Water District Operator I versus other local water district agencies. Mr. MENDZER mentioned the District's desire to develop its own Water Distribution Operator I, as with the current employee, rather than looking to hire from outside the District. Mr. MENDZER also mentioned that the employee had just passed his D-2 Certification exam and was currently taking D3 Certification classes.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the Board approved (1) the hiring of a permanent, full-time Water Distributor Operator I at a beginning salary of \$3,393.56 per month, and (2) authorize the continuance of non-salary benefits for the Water Distributor Operator III for a period not-to-exceed six months, subject to the General Manager's periodic determination that resolution of his work status is being diligently pursued.

- B. Vacation Accrual Waiver and Cash-Out Request. Ms. OHLUND introduced item, explaining that the item is an effort to address the difficulty for the General Manager and Superintendent have in trying to take off more than three weeks of time per year. This item would allow accrual at a higher level, with an option to cash out, so that vacation time (up to one week) was not lost. It was also discussed that this item was not an amendment to the existing policy, but rather an exception to it.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the Board approved a revision to the vacation policy for the period December 1, 2013 through December 31, 2014, to allow the General Manager and the Superintendent to: (1) accrue vacation time to a maximum of 240 hours annually, and (2) to sell back up to 40 hours of vacation time, if they have used at least 120 hours of vacation during the preceding December 1, 2013 to December 31, 2014 year, and (3) revisit this policy in December 2014.

- C. Vacation Accrual Waiver and Cash-Out Request. Ms. OHLUND introduced and discussed the proposed Electronic Equipment Usage Policy, relating to primarily the rules for provision of Apple iPads to workers.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the Board approved the Electronic Equipment Usage Policy.

- D. Orange County Water District ("OCWD") Annexation Update. Ms. OHLUND presented the item, referencing Exhibit F to the Agenda including letters of dissent from Brea and Golden State Water Company. ROB HANFORD of Golden State Water Company spoke on the annexation. Ms. OHLUND discussed Golden State pursued concept that funds paid to OCWD did not cover the costs of annexation, and that a 2-3 percent decrease in production from the basin over that pumped before was anticipated.

ACTION TAKEN: None

- E. Wholesale and Retail Water Usage Report. Ms. OHLUND indicated she had nothing to add to the item. There was no discussion.

ACTION TAKEN: None

7. Financial Matters.

A. Schedule of Disbursements. Schedules of disbursements in the following amounts were presented: \$788,378.19 from Wholesale and Retail Operating Funds, \$2,273.55 for directors payroll, and \$49,847.43 for employees payroll.

B. 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 schedules of investments for the months of September and October 2013 were ratified and approved, and (3) the financial statements were received and filed.

8. **Miscellaneous Matters.**

A. Association of California Water Agencies (ACWA) Voting Guidance

ACTION TAKEN:

Upon motions duly made, seconded and carried unanimously, the Board designated Ms. OHLUND as the District's voting representative for the ACWA election, and delegated to Ms. OHLUND the authority to vote at her discretion and submit, or cause to be submitted, the District's voting proxy form to ACWA.

D. Reports from Committees and Representatives to Organizations. None

E. Directors' Reports on Meetings Attended. None

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 the premises to be leased for telecommunications at 9312 Handy Creek Road, Orange, California, to discuss the price and terms of payment of a proposed lease.

OPEN SESSION

Open session was resumed. President VANDERWERFF reported that the Board approved a lease amendment with Crown Castle in closed session. No further action was reported from the closed session.

- B. **Conference with Legal Counsel (Closed Session).** President VANDERWERFF announced that the Board would meet again in the following closed session as listed in the agenda: **(B)** conference with legal counsel – Government Code § 54956.9(d)(4). Mr. HOSKINSON 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.

C. **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(C), 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.

OPEN SESSION

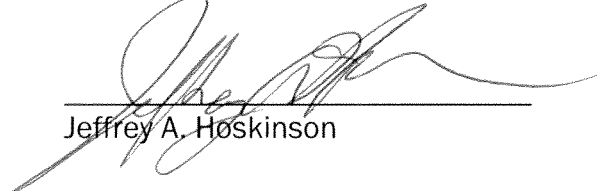
Open session was resumed. No action was reported from the closed session.

11. Adjournment.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the meeting was adjourned at 8:10 p.m., to Thursday, December 19, 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,



Jeffrey A. Hoskinson