

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

January 15, 2015

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 15, 2015, 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 BELL, DOUGLASS DAVERT, JOHN DULEBOHN and WILLIAM VANDERWERFF.

Also present were:

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| LISA OHLUND | General Manager |
| JERRY MENDZER | Maintenance & Operations Superintendent |
| JOAN ARNESON | District Secretary and Legal Counsel |
| WILLIAM EVEREST | Consultant |
| HARVEY DEL LA TORRE | Municipal Water District of Orange County |
| SYLVIA PRADO | District Administrative Assistant |

2. Public Communications to the Board. None.

3. Items Arising After Posting of Agenda. None.

4. General Manager's Report. Ms. OHLUND said she did not have anything to add to the written report. There were no comments or questions.

ACTION TAKEN:

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

5. Minutes.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (Everett absent), the minutes of the meeting of December 18, 2014 were approved as submitted.

6. Operation, Management and Construction Matters.

A. Committee Appointments. President VANDERWERFF said he was not proposing any changes as the current assignments are working well, but asked that anyone desiring a change let him know.

B. Metropolitan Water District/Municipal Water District of Orange County Water Supply Allocation Plan. HARVEY DEL LA TORRE provided an informational presentation on the Water Supply Allocation Plan (WSAP). As background, he presented slides showing recent precipitation and temperature history and outlook graphics, 2014 supply and demand balance, and State Water Project allocation. Next he described MWDOC's WSAP, which is based on MWD's, and is needs-based and intended to achieve equity among the MWDOC agencies. The WSAP steps are to establish a baseline use for 2015, using 2013 and 2014, and determine a regional shortage level according to the applicable shortage stage. Mr. DEL LA TORRE then discussed the methodology for credits and adjustments that are applied, as well as MWDOC's melded method and proportional allocation of any penalties to those agencies exceeding the allocation. He said a third member agency workshop is scheduled for January 22, and MWDOC Board review will occur in February and March.

7. Financial Matters.

A. Schedule of Disbursements. Schedules of disbursements in the following amounts were presented: \$532,363.54 from Wholesale and Retail Operating Funds, \$2,174.82 for directors' payroll, and \$49,873.85 for employees' payroll.

B. Investment Activity. Schedules of investments were presented.

C. Financial Statements (November 30). The financial statements were presented.

On behalf of the Finance Committee, Director DULEBOHN recommended approval of the schedule of disbursements and investment schedules, and receipt and filing of the financial statements.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (Everett absent), the schedules of disbursements were approved as submitted, the schedules of investments were ratified and approved, and the financial statements were received and filed.

8. Miscellaneous Matters.

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

B. Directors' Reports on Meetings Attended. President VANDERWERFF reported that he was reviewing the current use and extent of a telecommunications easement granted by the County in 1947 at the Panorama Heights tank site.

C. Authorization of Conference Attendance.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (Everett absent), all Directors were authorized to attend the MWDOC Water Policy Forum, February 5, 2015, Costa Mesa, and Directors BELL, DAVERT and EVERETT were authorized to attend the Urban Water Institute (UWI) Spring Conference, March 4-6, 2015, Palm Springs.

D. Orange County Sanitation District #7 Local Sewer Service Reorganization – Status Report. Ms. OHLUND reported that a letter of support was received from the City of Orange, and that LAFCO Executive Officer Emery anticipates that the municipal services review will not be released until this Spring.

E. Water Demand Status Report.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (Everett absent), the Water Demand Status Report was received and filed.

F. Drought Response Report.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (Everett absent), the Drought Response Report was received and filed.

9. Informational Items.

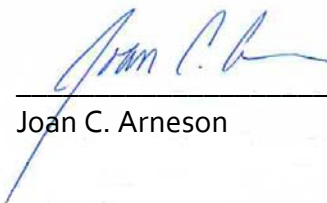
A. General Interest Publications. Included were a press release – OCWD enters into negotiations for desalinated water; *Los Angeles Times* – Delta smelt legal battle heads to Supreme Court; *SFGate* – San Joaquin Valley farmers reach secret deal in water dispute.

10. Adjournment.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the meeting was adjourned at 6:10 p.m., the next regular meeting date and time being Thursday, February 19, 2015, 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,

A handwritten signature in blue ink, appearing to read "Joan C. Arneson", is written over a horizontal line. The signature is cursive and somewhat stylized.

Joan C. Arneson