

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

February 18, 2016

Call to Order. An Adjourned Regular Meeting of the Board of Directors of the East Orange County Water District was called to order by DOUGLASS DAVERT, President of the Board of Directors, at 4:05 p.m. on Thursday, February 18, 2016, 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 JOHN SEARS. Also present were:

LISA OHLUND	General Manager
SYLVIA PRADO	District Administrative Assistant
JOAN ARNESON	District Secretary and Legal Counsel
KEN VECCHIARELLI	Golden State Water Company
SANJAY GAUR	Raftelis Financial Consultants, Inc.

Workshop Session – Wholesale and Retail Connection Fees. Ms. OHLUND introduced the workshop, saying that it would include a discussion of meter size cost allocation methodology. Mr. GAUR provided a slide presentation. He explained that capacity fees are structured to provide a nexus to proportional benefits by connection. The value of the system, including assets and reserves, provides a benefit to new connections. Starting with the wholesale system, Mr. GAUR discussed the use of the incremental cost method to derive equivalent meter unit amounts which are then spread by meter size. He then explained the application of this methodology to calculate the recommended increases. Mr. DULEBOHN arrived.

Mr. GAUR next explained a similar process used to arrive at the recommended Retail Zone connection fees. He recommended that for both wholesale and retail, an annual adjustment indexing mechanism be adopted such as ENR. Ms. OHLUND noted that as in the past, collection of the wholesale connection fees through the District's retail agencies will need to be audited. Mr. VECCHIARELLI inquired whether the recommendations would apply to hydrant connections, and Ms. OHLUND said such fees are separately negotiated.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (Everett absent), Staff was directed to incorporate annual escalators in the recommended fees, to address the rescission of the District's historical policy on debt retirement by wholesale connection fees, and provide notice of hearing to consider recommended increases of the wholesale and retail connection fees at the March 17, 2016 Regular Meeting.

Adjournment. The workshop session was adjourned at 4:45 p.m.

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

February 18, 2016

1. Call to Order. A Regular Meeting of the Board of Directors of the East Orange County Water District was called to order by DOUGLASS DAVERT, President of the Board of Directors, at 5:00 p.m. on Thursday, February 18, 2016, 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 JOHN SEARS. Also present were:

LISA OHLUND	General Manager
JERRY MENDZER	Maintenance & Operations Superintendent
SYLVIA PRADO	District Administrative Assistant
JOAN ARNESON	District Secretary and Legal Counsel
SHAWN DEWANE	Raymond James Financial Services, Inc.
KEN VECCHIARELLI	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 said she had no additions to the written report.

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 meetings of January 20 and 21, 2016 were approved as submitted.

6. Organizational Matters.

Committee Reorganization. President DAVERT noted for information the chart listing the committee and designated representative assignments.

7. Operation, Management and Construction Matters.

A. Vista Panorama Reservoir Rehabilitation Project. Ms. OHLUND reported that this item was discussed extensively by the Engineering and Operations Committee. Director BELL expressed appreciation to Mr. EVEREST for developing a sensible, economical approach for protecting the facility.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (Everett absent), the project was approved, it was determined that the project is exempt from the California Environmental Quality Act and the General Manager was authorized to file a notice of exemption.

B. Orange Knoll Pressure Reducing Station Project. Ms. OHLUND said this was an essential project.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (Everett absent), the project was approved, it was determined that the project is exempt from the California Environmental Quality Act and the General Manager was authorized to file a notice of exemption.

C. Annual Form 700 Filing/Biennial Ethics Training Requirements. Ms. OHLUND reminded the Board members of these filing dates. She encouraged attendance at live ethics training sessions.

8. Financial Matters.

A. Schedule of Disbursements. Schedules of disbursements in the following amounts were presented: \$496,687.60 from Wholesale and Retail Operating Funds, \$2,875.96 for directors' payroll, and \$42,838.64 for employees' payroll.

B. Investment Activity. Schedules of investments were presented.

C. Financial Statements (January 31). 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.

D. Investment Portfolio Report. SHAWN DEWANE reviewed his report, including an increase in yield through reinvestment as some of the shorter maturities have come due. He recommended that the District continue this successful program.

E. Appointment of Treasurer. Ms. OHLUND said Cindy Byerrum has provided good service as interim Treasurer, has valuable public agency experience and fits well with the District's organization. President DAVERT reported that the Finance Committee has worked with her and she is improving the District's financial processes.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (Everett absent), Cindy Byerrum, CPA, of the Platinum Consulting Group, was appointed to serve as the District's Treasurer.

F. Position Classification and Compensation Ranges. Ms. OHLUND reported on the process for benchmarking and calculating ranges. Following Board discussion, it was the consensus that revisions be made to maintain the base but reduce the range spread for the General Manager position. It was the consensus that the recommended schedule is needed to improve career paths and the District's ability to attract and retain qualified employees.

Responding to questions from Mr. VECCHIARELLI, Ms. OHLUND said field staff time sheets are used to track and allocate salaries to the Retail and Wholesale Zone, and General Manager and office staff time is allocated in the same ratio as field staff. She discussed the selection of agencies in the benchmarking process, which included both small and, except for the General Manager position, nearby agencies.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (Everett absent), subject to the revisions as discussed, the position classification and compensation schedule was amended as recommended (Exhibit "A" attached to these minutes), to include eight new job classifications, Wastewater Operator I, II, and III classifications, and an amended salary range of the General Manager position; a five percent pay premium was established for holding licensing or certification providing a measurable benefit to the District; and an educational reimbursement account was established and added to the FY 2016-17 budget.

9. Miscellaneous Matters.

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

B. Directors' Reports on Meetings Attended. Several Directors who attended reported on the MWDOC policy dinner. Director BELL reported that the UWI Conference included several informative sessions.

C. Authorization of Conference and Meeting Attendance. Ms. OHLUND corrected information noted in the agenda for the MWDOC elected officials forum.

ACTION TAKEN:

Upon a motion duly made, seconded and carried 3-1-1 (Everett absent, BELL abstaining), Directors DAVERT and SEARS were authorized to attend the April MWDOC elected officials forum.

D. Orange County Sanitation District #7 Local Sewer Service Reorganization – Status Report. Ms. OHLUND reported that she had no information to add to her written status report.

E. Water Demand Status Report. Ms. OHLUND reported that demand has been affected by the hot weather in February. She said the District's reduction target will be reduced by the 7% credit for GWRs approved by the State Board. She reported on the District's pursuit of proportionality recognizing GWRs contribution.

F. Drought Response Report. Ms. OHLUND discussed the State Water Resources Control Board staff's consideration of adjusting future reduction targets to give credit for programs like the Groundwater Replenishment System.

ACTION TAKEN:

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

10. Informational Items.

A. General Interest Publications. Included were *San Luis Obispo Tribune* – "Vote 'yes' on Paso Robles groundwater district to keep management local" and *Tracy Press News* – "Water districts consider merger."

11. Closed Session. President DAVERT announced that the Board would meet in closed sessions listed in the agenda as follows: **(A)** conference with labor negotiators (Govt. Code §54957.6) – agency designated representatives: Directors Davert and Dulebohn – unrepresented employees: General Manager; Superintendent; Administrative Assistant; Water Distribution Operator II. (Ms. OHLUND was excused from the Closed Session for the portion relating to the General Manager position.)

OPEN SESSION

Open session was resumed, with all Directors present. No action was reported from the closed session.

Fiscal Year 2015-16 Compensation COLA & License Increases. Upon a motion duly made, seconded and carried unanimously (Everett absent), salary ranges, salary adjustments and COLA increases effective January 1, 2016 were approved as follows:

Name	Proposed Salary Range	Current Monthly Salary	Current Annual Salary	Proposed COLA%	Proposed Monthly Salary	Salary with Licensing Differential	Revised Annual Salary	Hourly Rate
Superintendent*	\$7,013 - 9,468	\$7,203	\$86,431	2%	\$7,347	\$7,714	\$92,573	\$44.51
Water Operator II*	\$4,253 - 5,742	\$3,982	\$47,778	2%	\$4,061	\$4,264	\$51,170	\$24.60
Water Operator II	\$4,253 - 5,742	\$4,253	\$51,036	0%	\$4,253		\$51,036	\$24.54
Water Operator I	\$3,316 - 5,325	\$3,316	\$39,792	n/a	\$3,316		\$39,792	\$19.13
Administrative Assistant	\$4,826 - 6,515	\$5,150	\$61,805	2%	\$5,253		\$63,041	\$30.31
Administrative Assistant	\$4,826 - 6,515	\$4,886	\$58,632	1%	\$4,984		\$59,805	\$28.75
Office Assistant	\$18.12 - 24.46/hr	n/a	n/a	n/a	n/a		n/a	n/a
Total Recommendation		\$28,790	\$345,474		\$29,214	\$570	\$357,417	
6-month Cost**					\$2,547	\$3,422	\$5,971	
Annual Cost**					\$5,093	\$6,845	\$11,943	

*Eligible for Licensing Differential Pay

**Rounding Error Occurs

and the General Manager's monthly salary was increased to the bottom of the new range established under Item 8F, above (\$13,583), effective for the next pay period.

12. Adjournment.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (Everett absent), the meeting was adjourned at 6:10 p.m., the next regular meeting date and time being Thursday, March 17, 2016, 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

EXHIBIT A

February 18, 2016			
FLSA Status	Position Title	Current Salary Range	Proposed Salary Range
Exempt Management	General Manager	\$9,584-\$9,483	\$13,583-\$16,300
	<i>Operations Manager</i>	N/A	\$10,079 - 13,606
	<i>Administrative Services Manager/Assistant Board Secretary</i>	N/A	\$8415-\$11,360
Non-Exempt - Field	Superintendent	\$6,897-\$9,311	\$7,013-\$9,468
	<i>Water Supervisor</i>	N/A	\$5,869-\$7,923
	<i>Wastewater Supervisor</i>	N/A	\$5,683-\$7,672
	Water Operator III	\$4,386-\$7,043	\$4,891-\$7,043
	Water Operator II	\$3,814-\$6,124	\$4,253-\$5,742
	Water Operator I	\$3,316-\$5,325	\$3,697-\$4,991
	<i>Wastewater Operator III</i>	N/A	\$4,736-\$6,394
	<i>Wastewater Operator II</i>	N/A	\$4,118-\$5,559
	<i>Wastewater Operator I</i>	N/A	\$3,581-\$4,835
	Non-Exempt - Administrative/Financial/Customer Service	<i>Management Analyst III</i>	N/A
<i>Management Analyst II</i>		N/A	\$6,599-\$8,909
Management Analyst I		\$5,670-\$7,650	\$5,738-\$7,746
<i>Administrative Assistant III</i>		N/A	\$6,383-\$8,617
<i>Administrative Assistant II</i>		N/A	\$5,550-\$7,493
Administrative Assistant I		\$4,653-\$6,282	\$4,826-\$6,515
<i>Office Assistant F/T</i>		N/A	\$3,141-\$4,241
Office Assistant P/T		\$14.14-\$17.50/hr	\$18.12-\$24.46/hr
* Positions in <i>Bold/Italicized</i> are proposed			