

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

February 19, 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 5:05 p.m. on Thursday, February 19, 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: DOUGLASS DAVERT, JOHN DULEBOHN, SEYMOUR EVERETT and WILLIAM VANDERWERFF. Also present were:

LISA OHLUND	General Manager
JERRY MENDZER	Maintenance & Operations Superintendent
JOAN ARNESON	District Secretary and Legal Counsel
JOSE DIAZ	City of Orange
WILLIAM EVEREST	Consultant
IRMA HERNANDEZ	City of Orange
SYLVIA PRADO	District Administrative Assistant
JOE LAURIA	Montgomery
ART VALENZUELA	City of Tustin

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

3. **Items Arising After Posting of Agenda.** Ms. OHLUND said a request had been received from Mesa Consolidated Water District to concur in the nomination of one of its directors to the ACWA JPIA Executive Committee.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, it was determined that the need to take immediate action on the proposed request came to the District's attention after posting of the agenda and such item was added to the agenda.

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 (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 January 15, 2015 were approved as submitted.

6. Operation, Management and Construction Matters.

A. Memorandum of Understanding (MOU) - City of Orange. Ms. OHLUND reported that at the Council meeting, a question was raised regarding the City's consideration of supporting an Irvine Ranch Water District application in regard to sewer service in the subject area, should one be filed. Ms. OHLUND said that per discussion with EOCWD's special counsel EOCWD's response was that this would not be considered a breach of the MOU by the City.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (Bell absent), the Memorandum of Understanding between the City of Orange and the East Orange County Water District regarding the provision of sewer service in the City sphere of influence was approved.

B. Adoption of District Motto. Ms. OHLUND recommended that the adoption of a motto, in addition to the District's mission statement, would be timely going into a strategic planning process. The motto was developed by CommunicationsLAB.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (Bell absent), "Hometown Service – Fiscal Discipline – Direct Accountability" was adopted as the District's motto and staff was directed to incorporate it into District communications.

C. Strategic Planning Facilitation Services. Ms. OHLUND reported that a facilitated strategic planning process would allow in-depth discussion, questions and input, and the facilitator would then compile a document that could be used by the Board and staff going forward. The facilitator will do this by soliciting goals and priorities, for example, on a treatment plant project. She recommended that a request for proposal be directed to a small number of firms that specialize with water and sewer agencies. President VANDERWERFF said he felt this was a good idea but there are a number of other things demanding the General Manager's attention right now and it may be premature when the District is considering the provision of wastewater service. He suggested waiting 90 days. Director DULEBOHN disagreed, saying the transition was a good time to have the process. Director DAVERT observed that EOCWD hasn't done this process and one is needed to allow the Board to do its work effectively and decide whether to pursue opportunities or not. Director EVERETT said he

saw a great benefit and that the process would help the District with the transition. After further discussion, it was the consensus to defer the item 30 days to the next Board meeting.

7. Financial Matters.

A. Schedule of Disbursements. Schedules of disbursements in the following amounts were presented: \$213,623.33 from Wholesale and Retail Operating Funds, \$2,055.05 for directors' payroll, and \$41,067.65 for employees' payroll.

B. Investment Activity. Schedules of investments were presented.

C. Financial Statements (December 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 (Bell 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. Director DAVERT reported that he and other Directors had attended the MWDOC Water Policy Forum which was very informative. Director DULEBOHN reported on the ISDOC meeting.

C. Authorization of Conference Attendance. Ms. OHLUND said the Orange County Collaborative Services Summit would be presented by LAFCO and she planned to attend.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (Bell absent), President VANDERWERFF was authorized to attend the Orange County Collaborative Services Summit, February 26, 2015, Costa Mesa.

D. Orange County Sanitation District #7 Local Sewer Service Reorganization – Status Report. Ms. OHLUND said she had nothing to add to the report.

E. Water Demand Status Report.

ACTION TAKEN:

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

F. Drought Response Report. Ms. OHLUND reported that there is a significant degree of confidence that allocation will be in effect this year, although it is unclear when it will start. The net effect of this together with the ongoing basin production percentage-setting must be considered. She added that customer communication will be critical and CommunicationsLAB will be assisting with this on both the wholesale and retail side.

ACTION TAKEN:

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

Request for Concurrence in Nomination (item added above). Next considered was Mesa Water District's request for EOCWD's concurrence in its nomination of Fred Bockmiller.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (Bell absent), Resolution No. 751 was adopted, entitled "Resolution of the Board of Directors of the East Orange County Water District Concurring In Nomination To The Executive Committee of the Association of California Water Agencies Joint Powers Insurance Authority ('ACWA/JPIA')."

9. Informational Items.


A. General Interest Publications. Included were *RecordNet* – LAFCO upholds South San Joaquin Irrigation District takeover of PG&E ; *Sacramento Bee* opinion – old water conflicts open again; *San Gabriel Valley Tribune* – mandatory water rationing could start July 1; ACWA – water bond funds will target statewide integrated system, lawmakers told.

10. Adjournment.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the meeting was adjourned at 5:35 p.m., the next regular meeting date and time being Thursday, March 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,



Joan C. Arneson