

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

July 9, 2015

1. **Call to Order.** A Special 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, July 9, 2015, in the offices of the East Orange County Water District, 185 N. McPherson Road, Orange, California. JOAN ARNESON, District Secretary, recorded the minutes of the meeting.

The following Directors were present: RICHARD BELL, DOUGLASS DAVERT, JOHN DULEBOHN, SEYMOUR EVERETT (by teleconference from location indicated on agenda) and WILLIAM VANDERWERFF. Also present were:

| | |
|----------------|--------------------------------------|
| LISA OHLUND | General Manager |
| SYLVIA PRADO | District Administrative Assistant |
| JOAN ARNESON | District Secretary and Legal Counsel |
| ART VALENZUELA | City of Tustin |
| BILL EVEREST | Consultant |
| GRAHAM JUBY | Carollo Engineers |
| ED MEANS | Means Consulting LLC |

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

3. **Operation, Management and Construction Matters.**

A. **Draft Strategic Plan.** Mr. MEANS said the draft plan is intended to be a living document that will be reviewed annually, and is also intentionally brief to facilitate regular use. He received comments and suggested revisions or clarifications on various strategies and objectives, including cost-effective operation, consideration of the environment in programs and projects, effective use of communication in Sacramento, evaluation of streamlining of the committee process. A final plan will be presented for adoption at the next meeting.

B. **Wholesale and Retail Zone Capital Improvement Programs.** Ms. OHLUND reported that as directed at the last meeting, she held a meeting with the retail agencies and went over the drivers of the proposed wholesale rate increase. She said tonight's presentation would cover the same material, summarizing two technical memoranda from the Carollo study and seeking the Board's input on policy areas.

GRAHAM JUBY first reviewed the wholesale capital needs analysis, within a planning horizon of 2040. He reviewed emergency storage evaluations; age-based analysis of pipe, showing that no age-related replacements are needed by 2040; and planning horizon by priority group. The first priority group identifies two projects for 2015-16, the repairs of the Peters Canyon Reservoir roof and the corrosion protection system for the Andres Reservoir. Mr. JUBY said the next priority is upsizing a section of Newport Boulevard main to relieve a bottleneck. Discussion followed as to how retail agencies operate from their connections to

the District's system. Ms. OHLUND said historically limitations have not been imposed on manner of operation, so this identifies a policy consideration that will require discussion. Mr. JUBY then reviewed budget assumptions for the Peters Canyon water treatment project proposal, and other wholesale capital budget items.

Next, Mr. JUBY reviewed the key attributes of the retail capital needs analysis for the 2040 planning horizon. He summarized District-identified issues and an age-based analysis of pipe, indicating that about 1.6 miles of age-related replacement is needed by 2040, using a 25% replacement period. He also discussed the hydraulic analysis. [Director DULEBOHN left the meeting at 6:40.]

Ms. OHLUND noted that the prioritization includes an analysis of accomplishment of multiple objectives with projects. Mr. JUBY reviewed planning horizons by priority group, including top priority for 2015-16 and the next group for 2016-20. Ms. OHLUND recognized the efforts of Mr. Mendzer and Mr. Everest in the development of the capital needs analysis.

4. **Adjournment.**

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the meeting was adjourned at 6:50 p.m., the next regular meeting date and time being Thursday, July 16, 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