

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

June 18, 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 5:40 p.m. on Thursday, June 18, 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, SEYMOUR EVERETT and WILLIAM VANDERWERFF. Also present were:

LISA OHLUND	General Manager
SYLVIA PRADO	District Administrative Assistant
JOAN ARNESON	District Secretary and Legal Counsel
JOSE DIAZ	City of Orange
ART VALENZUELA	City of Tustin
BILL EVEREST	Consultant

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 included a Yelp review commending services provided by Superintendent Mendzer and Distribution Operator Plummer, as well as an example of a Sedaru work report with data used to generate the General Manager's report.

ACTION TAKEN:

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

5. Minutes.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the minutes of the meetings of May 21 and May 29, 2015 were approved as submitted.

6. Operation, Management and Construction Matters.

A. Surplus Equipment and Material Declaration. Ms. OHLUND reported that a list of surplus items is periodically brought to the Board. Director BELL said the list was reviewed by the Committee and recommended approval.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the assets included in the list as presented were declared surplus and staff was directed to dispose of said items in an environmentally and fiscally responsible manner.

7. Financial Matters.

A. Schedule of Disbursements. Schedules of disbursements in the following amounts were presented: \$500,885.71 from Wholesale and Retail Operating Funds, \$3,324.09 for directors' payroll, and \$34,382.66 for employees' payroll.

B. Investment Activity. Schedules of investments were presented.

C. Financial Statements (April 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, 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. 2015-16 Budgets. Ms. OHLUND reviewed the wholesale and retail budgets. She discussed the need for in-house engineering services and a new Distribution Operator I position to be allocated between the wholesale and retail systems. With regard to capital expenditures, she recommended budgeting for treatment plant preliminary design and CEQA, recognizing that the Carollo study is not yet complete. Director BELL said it was his view that these items should not be included before a presentation is made on the study and a decision is made. Other Directors were in favor of including the amounts, which could be left unspent or carried over if a decision to proceed with the plant is not made. Mr. EVEREST anticipated that a sufficient portion of the information should be available in July to allow the rates to be set.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, Resolution Nos. 755 and 756 were adopted, entitled: "Resolution of the Board of Directors of East Orange County Water District Adopting Operating Budget and Making Determination Relative To Appropriations Subject To Limitation For 2015/2016 Fiscal Year (Overall District)" and "Resolution of the Board of Directors of East Orange County Water District Adopting Operating Budget and Making Determination Relative To Appropriations Subject To Limitation For 2015/2016 Fiscal Year (Retail Zone)."

- E. Uncollectible Accounts.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the writeoff of uncollectible retail accounts and collection in accordance with adopted procedures was authorized.

8. Miscellaneous Matters.

- A. California Special Districts Association (CSDA) Election.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, President VanderWerff was authorized to cast the District's vote for the CSDA Board Region 6 (Seat A) Representative.

- B. Reports from Committees and Representatives to Organizations. None.
- C. Directors' Reports on Meetings Attended. None.
- D. Authorization of Conference Attendance.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, Directors DULEBOHN and EVERETT were authorized to attend the Desalination Plant Tour (Carlsbad, July 10) and all Directors were authorized to attend the July 29 MWDOC Policy Forum.

E. Orange County Sanitation District #7 Local Sewer Service Reorganization – Status Report. Ms. OHLUND reported on LAFCO's public outreach session held at Foothill High School, and the anticipated schedule for LAFCO's consideration of the municipal services review and the sewer applications.

F. Water Demand Status Report. Ms. OHLUND noted that the reduction target was met in May, but with the cool weather in May, the June result will be more critical.

ACTION TAKEN:

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

G. Drought Response Report. Ms. OHLUND described outreach activity. President VanderWerff said he had received good feedback on the informal informational sessions.

ACTION TAKEN:

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

9. Informational Items.

A. General Interest Publications. Included were *NBC News* – "Tapping the Pacific: Desalination Will Make Ocean Drinkable;" *KCRA Sacramento* – "Israel offers drought-busting tips for California;" *Water Online* – "Is Water a Right, Commodity, or Service?"

10. Closed Session. President VANDERWERFF announced that the Board would meet in closed sessions listed in the agenda as follows: **(A)** conference with legal counsel – anticipated litigation – initiation of litigation pursuant to Government Code Section 54956.9(d)(4) and **(B)** conference with labor negotiators (Govt. Code §54957.6) – agency designated representatives: Directors Bell and VanderWerff – unrepresented employees: Operations & Maintenance Superintendent; Part-Time Office Assistant; Administrative Assistant; Distribution Operator I; Distribution Operator II.

OPEN SESSION

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

Fiscal Year 2015-16 Compensation. Upon a motion duly made, seconded and carried unanimously, salary ranges as required by PERS and salary and merit increases effective July 1, 2015 were approved as follows:

Name	Current Annual Salary Range/ Proposed Salary Range	Current Annual Salary	Recommended Merit (Annual) Increase	Revised Salary	Annual Cost of Benefits	Total Annual Cost of Wage Increase plus Benefits Cost
Superintendent	\$81,540-\$110,088 \$82,763-\$111,739	\$81,539	\$4,892	\$86,431	\$35,716	\$122,147
Distribution Operator II	\$45,084-\$72,396 \$45,760-\$73,482	\$45,074	\$2,704	\$47,778	\$23,337	\$71,115
Distribution Operator II¹	\$45,084-\$72,396 \$45,760-\$73,482	\$50,500	\$3,030	\$53,530	\$29,121	\$82,651
Distribution Operator I²	\$39,203-\$62,953 \$39,792-\$63,897	N/A	N/A	N/A	N/A	N/A
Administrative Assistant³	\$55,008-\$74,268 \$55,833-\$75,382	57,762	\$4,043	\$61,805	\$30,532	\$92,337
Part-Time Office Assistant⁴	\$17.00-\$22.95/hr \$17.26-\$23.29/hr	N/A	N/A	N/A	N/A	N/A
Total Cost		\$234,875		\$252,473	\$118,706	\$368,251
Net Annual Cost Increase			\$14,670		\$7,074	\$21,744

11. **Adjournment.**

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the meeting was adjourned at 7:10 p.m., to Friday, May 29, 2015, at 8:00 a.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