

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

May 19, 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, May 19, 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, SEYMOUR EVERETT 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
BILL EVEREST	District Consultant
BRIAN LOCHRIE	Communications Lab
NICHOLAS ARHONTES	District Consultant
KEVIN RICE	Member, Citizens Advisory Committee
DAVE STUART	Member, Citizens Advisory Committee

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

3. **Items Arising After Posting of Agenda.** None.

7. **Miscellaneous Matters.**

D. **Drought Response Report.** Ms. OHLUND reported on the State Water Resources Control Board's revised regulatory framework, which will allow suppliers to use a "stress test" to evaluate the condition of their supplies assuming three more dry years. Any resultant shortfall will be certified and used as the mandatory cutback. Mr. LOCHRIE discussed different options as to customer communication. Ms. OHLUND said a recommendation will be brought back in June.

4. **Consent Calendar.** Revised minutes were distributed.

**ACTION TAKEN:**

Upon a motion duly made, seconded and carried unanimously, the consent calendar actions were adopted as follows.

- A. General Manager's Report (Exhibit "A"): "THAT THE GENERAL MANAGER'S REPORT BE RECEIVED AND FILED"
- B. Minutes (Exhibit "B"): "THAT THE MINUTES OF THE APRIL 21, 2016 MEETING BE APPROVED AS CORRECTED"
- C. Urban Water Management Plan Update (Exhibit "C") "THAT A PUBLIC HEARING BE CALLED FOR JUNE 16, 2016, TO CONSIDER APPROVAL OF THE 2015 URBAN WATER MANAGEMENT PLAN, AND THAT THE SECRETARY BE DIRECTED TO PUBLISH NOTICE TWICE, AS REQUIRED, IN THE *ORANGE COUNTY REGISTER*"
- D. AlertOC Memorandum of Understanding (Exhibit "D"): "THAT THE 'MOU BETWEEN THE COUNTY OF ORANGE AND PARTICIPANTS FOR USE OF COUNTYWIDE MASS NOTIFICATION SYSTEM' (WITH A TERM OF PARTICIPATION FOR THE PERIOD JULY 1, 2016 TO JUNE 30, 2021) BE APPROVED AND THAT THE GENERAL MANAGER BE AUTHORIZED TO EXECUTE THE MOU ON BEHALF OF THE DISTRICT, SUBJECT TO NONSUBSTANTIVE CHANGES AND AN ANNUAL COST LESS THAN \$2,000"
- E. Amicus curiae letter (Exhibit "E"): [INFORMATION ONLY]
- F. November 2016 Election (Exhibit "F"): "DETERMINE THAT THE DISTRICT SHALL NOT PAY FOR CANDIDATES' STATEMENTS AND THAT CANDIDATES' STATEMENTS SHALL CONTAIN A MAXIMUM OF 400 WORDS"

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

A. Enterprise Systems Catalog (SB 272). Ms. OHLUND reported that under a new statute, the District must catalog its enterprise software and place the list on the website.

**ACTION TAKEN:**

Upon a motion duly made, seconded and carried unanimously, the District's enterprise systems catalog was approved, the District Secretary was designated as the custodian of the catalog, and the General Manager was authorized to post the catalog to the transparency section of the District's website.

B. Service Area 7 Sewer Transfer Plan. Ms. OHLUND reviewed various steps that would be part of the transition plan.

**ACTION TAKEN:**

Upon a motion duly made, seconded and carried unanimously, establishment of an initial budget of \$100,000 was authorized to facilitate start-up of Improvement District No. 1.

C. Nicholas J. Arhontes Consulting Services.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, Amendment No. 1 to the contract with Nicholas J. Arhontes Consulting Services for provision of consulting services related to sewer transition, in the not-to-exceed amount of \$90,000 for the period May 19, 2016 to April 30, 2017, was approved and the General Manager was authorized to execute the amendment.

D. Employee Education Reimbursement Program. Ms. OHLUND recommended the proposed program as employees had expressed interest in bettering their training. She said it would be identified as a separate budget line item.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, a tuition assistance program was established with an initial funding level of \$5,000.

**6. Financial Matters.**

A. Schedule of Disbursements. Schedules of disbursements in the following amounts were presented: \$320,679.51 from Wholesale and Retail Operating Funds, \$1,560.93 for directors' payroll, and \$41,749.39 for employees' payroll.

B. Investment Activity. Schedules of investments were presented.

C. Financial Statements (March 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, the schedules of disbursements were approved as corrected, the schedules of investments were ratified and approved, and the financial statements were received and filed.

D. Investment Trust (CalTrust). Ms. OHLUND reported that CalTrust would be an option allowing longer term investments than LAIF which is more targeted to providing liquidity. She said it is managed by Wells, retained by CSAC which oversees the trust for the joint powers agency. She added that it would be a useful option for the District's reserves.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, establishment of an investment account with the Investment Trust of California (CalTrust) was authorized.

**7. Miscellaneous Matters.**

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

B. Directors' Reports on Meetings Attended. Director SEARS reported on the WACO meeting, which included updates on the Colorado River, groundwater supplies, and differing views on reliability studies. President DAVERT reported that he attended meetings of cities and OCSD to express appreciation for their support of the District's Sewer Area 7 transition.

C. Wholesale and Retail Water Usage. Ms. OHLUND reported an anomaly attributed to the emptying and refilling of a reservoir.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the wholesale and retail water usage report and the drought report (discussed earlier in the meeting) were received and filed.

**8. Informational Items.**

A. General Interest Publications. Included was: *California Water Blog*, Jay Lund, "Inevitable Changes to Water in California."

**9. Closed Sessions.** President DAVERT announced that the Board would meet in closed sessions listed in the agenda as follows: **(A)** conference with real property negotiators (Government Code Section 54956.8), premises leased for telecommunications at 9312 Jamboree Road/9764½ Handy Creek Road, Orange, Negotiating Parties: Crown Castle MU LLC, Agency Negotiators: General Manager Ohlund, under negotiation: price and terms of payment (lease amendment).

OPEN SESSION

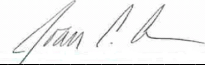
Open session was resumed, with all Directors present. No action was reported.

**10. Adjournment.**ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the meeting was adjourned at 6:00 p.m., the next regular meeting date and time being Thursday, June 16, 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,



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Joan C. Arneson