

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

January 17, 2013

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 5:00 p.m. on Thursday, January 17, 2013, 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 BARRETT, RICHARD BELL, DOUGLASS DAVERT, JOHN DULEBOHN and WILLIAM VANDERWERFF.

Also present were:

LISA OHLUND	General Manager
JERRY MENDZER	Maintenance & Operations Superintendent
JOAN ARNESON	District Secretary and Legal Counsel
DOUG CHAPMAN	Former Director
ROB HANFORD	Golden State Water Company

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

3. **Items Arising After Posting of Agenda.** President VANDERWERFF said in light of information revealed by an inspection of the West Well in the course of the ongoing East Well rehabilitation, there is an urgent need to consider adding the West Well rehabilitation to the contract.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, it was determined that the need to take immediate action on such item came to the District's attention after the posting of the agenda, and it was added to the agenda (Item 6, below).

4. **General Manager's Report.** Ms. OHLUND updated the information about the location of the Retail Zone portable pump installation and the status of the slurry seal work to complete the storm damage repairs at the Peters Canyon 6MG Reservoir.

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 meeting of December 20, 2012, were approved as submitted.

6. Operation, Management and Construction Matters.

A. Vista Panorama Hydrant Replacements. Ms. OHLUND recommended that the District proceed with this project. Director BELL said the Engineering Committee reviewed it and recommended approval. Mr. MENDZER provided explanation regarding the use of dry barrel hydrants versus wet barrel, and the periodic exercise of hydrants.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the addition of \$20,000 to the 2012/13 Retail Zone capital budget for the Vista Panorama Hydrant Upgrade Project was approved, and transfers of \$10,000, each, from Account Nos. 5342-0002-2 and 8975-0002-2, to Account No. 7913-1112-2 to fund the project were authorized.

B. Water Demand Status Report. Ms. OHLUND said the wet and cold weather in December resulted in a significant drop in demand. Director BELL commented that the snowpack in the Central Sierra is currently average and local rainfall is below normal, and that there is a neutral condition, neither El Niño nor La Niña.

West Well Rehabilitation and Repair. (added item) Ms. OHLUND reported that although staff initially believed the rehabilitation of the West Well should be deferred, the West Well is exhibiting the same problem as the East Well, extensive bearing wear believed to be caused by the food grade oil lubricant. She added that this could lead to mechanical failure and loss of the pump, and recommended proceeding with rehabilitation. Director DULEBOHN inquired whether it would be cost effective to change to a water lubricant. Ms. OHLUND said this was being investigated.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, staff was directed to negotiate with the East Well rehabilitation contractor, Tri County Pump, to add the West Well in an amount not to exceed \$35,000, and if not successful, solicit bids for this work.

8. Financial Matters.

A. Schedule of Disbursements. Schedules of disbursements in the following amounts were presented: \$386,578.21 from Wholesale and Retail Operating Funds, \$0 from the Chapman Avenue Account (closed), \$3,074.39 for directors' payroll, and \$39,315.87 for employees' payroll. On behalf of the Finance Committee, Director DULEBOHN recommended approval.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the schedules of disbursements were approved as submitted.

B. Investment Activity. On behalf of the Finance Committee, Director DULEBOHN recommended approval of the investment schedules.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the schedules of investments were ratified and approved.

C. Financial Statements (November 30). On behalf of the Finance Committee, Director DULEBOHN recommended receipt and filing of the financial statements.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the financial statements were received and filed.

D. Annual Review of Investment Policy and Delegation.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, Resolution No. 713 was adopted, entitled: "Resolution of the Board of Directors of the East Orange County Water District Approving Investment Policy and Authorizing the Treasurer To Invest Funds."

E. Account Signature Authorizations. Ms. ARNESON said three resolutions were needed to update the existing signature authorizations.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, Resolution Nos. 714, 715 and 716 were adopted, entitled, respectively:

"Resolution of the Board of Directors of the East Orange County Water District Authorizing Signatures for All Accounts, Authorizing Selection of Depositories, and Rescinding Prior Resolution;"

"Resolution of the Board of Directors of the East Orange County Water District Regarding Designation of Officers Authorized To Order Sale, Assignment, Transfer, and/or Delivery of District Investment Securities (Raymond James Financial Services, Inc., Account), and Rescinding Prior Resolution;" and

"Resolution of the Board of Directors of the East Orange County Water District Regarding Designation of Officers Authorized To Order Deposit and Withdrawal of District Funds In and From the Local Agency Investment Fund."

8. Miscellaneous Matters.

A. Appreciation of Supervisor Bill Campbell. Ms. OHLUND said that Bill Campbell couldn't be at the meeting but asked her to convey that he appreciated and was very moved by this action.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, Resolution No. 717 was adopted, entitled: "Resolution of the East Orange County Water District Board of Directors Expressing Appreciation, Commemorating and Inviting Public Attention To The Outstanding Services Rendered By Supervisor Bill Campbell, Board of Supervisors, County Of Orange, Third District."

B. Authorization of Conference Attendance. Directors DULEBOHN and VANDERWERFF said they were interested in attending the Water Policy Forum.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, Directors DULEBOHN and VANDERWERFF were authorized to attend the January 23rd Water Policy Forum.

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

D. Directors' Reports on Meetings Attended: None.

E. Update Conflict of Interest Code. Ms. ARNESON said online filing was now permitted by statute for all filers, including the Board members previously excluded from participation under the pilot program as Section 87200 filers. She and Ms. OHLUND explained that to provide a system with this capability, the County Clerk's Office was pursuing standardized codes and disclosure categories. President VANDERWERFF asked that the Board's action clarify that online filing is optional.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, Resolution No. 718 was adopted, entitled: "Resolution of the Board of Directors of the East Orange County Water District Adopting a Conflict of Interest Code Which Supersedes All Prior Conflict of Interest Codes and Amendments Previously Adopted," and it was stipulated that EOCWD's participation is subject to paper filing remaining as an option along with online filing.

F. Next Meeting Date. It was the consensus that the next meeting be held on February 19 to permit attendance at the Urban Water Institute Conference.

9. Informational Items. No discussion.

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, February 21, 2013, 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