

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

April 21, 2011

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, April 21, 2011, 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, DOUGLAS CHAPMAN, JOHN DULEBOHN and WILLIAM VANDERWERFF.

Also present were:

LISA OHLUND	General Manager
JERRY MENDZER	Maintenance & Operations Superintendent
JOAN ARNESON	District Secretary and Legal Counsel
FRED ADJARIAN	City of Orange
BILL NELSON	California Special Districts Association

2. **Public Communications to the Board.** BILL NELSON introduced himself as the representative from Orange County to the California Special Districts Association. He informed the Board of the California Forward and an Assembly committee reviewing special districts, both of which are initiatives advocating consolidation of special districts and reallocating special districts' tax revenues. He encouraged EOCWD to join CSDA at a special discounted dues amount, to help in responding to these initiatives. He responded to questions from the Board members, and said CSDA is focused on special districts and, in addition to legislative matters, also offers educational programs, such as classes for board members on governance. President VANDERWERFF requested that Mr. NELSON provide further information on the dues and that the matter be placed on next month's agenda.

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

4. **General Manager's Report.** Director BARRETT inquired whether there was a committee report concerning the slope repair at the 6 MG reservoir. Ms. OHLUND reported that she would have the geotechnical consultant attend the next committee meeting to respond to several technical questions from the committee on the structural repair, and they

also discussed the overflow drainage. Ms. OHLUND also responded to questions about the West Well treatments to control heterotrophic plate counts, and said the treatments were the most cost effective approach given the age of the well. In regard to a discussion with OCWD she said she had requested OCWD to model basin scenarios with the Santiago recharge pits dry for various intervals along with the proposed Irvine Ranch Water District Orange Park Acres well operation. Director BARRETT also asked about the review of cathodic protection needs and Ms. OHLUND said staff was looking at an overall review in conjunction with the specific review needed at the reservoir. Mr. MENDZER responded to Director Chapman concerning the leak repair at Crawford and Country Haven from an abandoned service.

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 motions duly made, seconded and carried unanimously, the minutes of the meetings of March 3, March 17 and March 31, 2011 were approved as submitted.

6. Operation, Management and Construction Matters.

A. Urban Water Management Plan Update. Ms. OHLUND reported that staff has been working for the past several months with Malcolm Pirnie, MWDOC's consultant preparing the updates, and including requesting the consultant to recheck demand numbers. She said it is now appropriate to schedule the hearing and publish the notice of availability.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, a public hearing was called for June 16, 2011, to consider approval of the 2010 Urban Water Management Plan, and the Secretary was directed to publish notice twice, as required, in the *Orange County Register* and, in addition, in the *Foothill Sentry*.

B. Water Conservation Report. Ms. OHLUND reported that after one more report in this format, there will be a different graphic that will begin to track the "20 by 2020" progress. She noted the low sales due to the wet weather.

7. Financial Matters.

A. Schedule of Disbursements. The Board reviewed schedules of disbursements in the following amounts: \$180,782.92 from Wholesale and Retail Operating Funds, \$0 from the Chapman Avenue Account, \$2,316.22 for Directors' payroll, and \$33,622.52 for employees' payroll.

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 CHAPMAN recommended approval.

ACTION TAKEN:

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

C. Monthly Financial Statements. Ms. OHLUND reviewed the new format of the statements in the agenda package, which will be presented monthly. Director BARRETT said he would like to have a graphic included to follow items being highlighted. Director BELL requested an update at the next meeting on the wholesale metering/billing issue.

D. Budget/Water Rates – Revenue Requirements and Retail Rate Increases – Status Report. Ms. OHLUND said she had responded to telephone inquiries, with no written responses to date.

E. Water Budget Billing System Implementation. Ms. OHLUND noted the new bill format for information, and said it was ready to be used for the next billing cycle.

F. Contract for Treasurer Services. Ms. OHLUND said a draft contract was being prepared and reviewed with Mr. Schoonover and she would bring it to the Board at the next meeting. It was the consensus that there should be a not to exceed amount for the required regular services, with additional authorization from Ms. OHLUND for amounts over that amount or for additional services that may be requested.

G. Engagement of Auditor – 2010/11 and 2011/12 Audits.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the engagement of Charles Z. Fedak & Company for the balance of its three-year contract for audit services for the fiscal years 2010-11 and 2011-12, in amounts not to exceed \$12,950 and \$13,400, respectively, was approved.

8. Miscellaneous Matters.

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

B. Directors' Reports on Meetings Attended. None.

C. Independent Special District Selection Committee - Bylaws. President VANDERWERFF said he would find the proposed bylaws acceptable if revised to retain the secret balloting for the election of LAFCO representatives. Ms. OHLUND said she understood the concerns that arose at the most recent election and generated the bylaws revision effort had to do with the process between the initial and runoff ballots, not the balloting itself. She said that the vote on bylaws ratification was a yes or no vote, however. It was the consensus not to take action on casting a vote, and to direct Ms. OHLUND to discuss this issue with the LAFCO Executive Officer.

D. MWDOC Board and Member Agency Elected Official Forum.

ACTION TAKEN:

Upon a motion duly made, seconded and carried 4-0-1 (BELL abstaining), Vice President CHAPMAN was appointed as the District's representative to attend the semi-annual MWDOC elected official forums.

9. Informational Items. None.

10. Closed Sessions. President VANDERWERFF announced that the Board would meet in closed session, as follows: (A) conference with real property negotiators (Government Code Section 54956.8) – property: premises leased for telecommunications at 9312 Jamboree Road, Orange; negotiating parties: AT & T /New Cingular; agency negotiators: Director VanderWerff and General Manager Ohlund; under negotiation: price and terms of lease amendment

OPEN SESSION

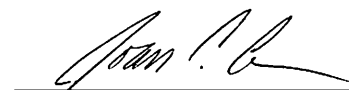
Open session was resumed. No action was reported from the closed session.

11. Adjournment.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the meeting was adjourned at 6:45 p.m., to the next regular meeting date and time being Thursday, May 19, 2011, 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