

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

October 16, 2014

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, October 16, 2014, 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: DOUGLASS DAVERT, JOHN DULEBOHN, SEYMOUR EVERETT and WILLIAM VANDERWERFF.

Also present were:

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| LISA OHLUND | General Manager |
| JERRY MENDZER | Maintenance & Operations Superintendent |
| CHRISTI GRISWOLD | District Management Analyst |
| JOAN ARNESON | District Secretary and Legal Counsel (by teleconference) |
| WILLIAM EVEREST | Consultant |
| DOUG & SUE CHAPMAN | District Residents |
| JOE DEFRANCESCO | City of Orange |
| IRMA HERNANDEZ | City of Orange |
| JOSE DIAZ | City of Orange |

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

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

4. **General Manager's Report.** Ms. OHLUND added that at today's Municipal Water District of Orange County (MWDOC)'s managers meeting, there was discussion of the low levels in Lake Mathews due to reduced State Water Project deliveries. Possible ramifications include a request that untreated customer agencies reduce their take, as well as a probable allocation and how to apportion it. She indicated that she would review this and bring it back to the Board.

ACTION TAKEN:

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

5. **Minutes.**ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (BELL absent), the minutes of the meeting of September 18, 2014 were approved as submitted.

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

A. Orange County Sanitation District #7 Local Sewer Service Reorganization – Status Report. Ms. OHLUND reported that September and October FPPC filings have been made as required on LFCO proposal expenditures. She reported on discussions with City of Orange representatives and will be bringing that back to the Board.

B. Foothill Developments. Ms. OHLUND pointed out current development activity on maps and reported on her discussions with the developers to pursue an efficient and master planned approach for extending the District's system in that area. She added that one of the developers doesn't wish to participate at this time, so she is working with legal counsel to develop an agreement for a reimbursement approach.

C. Water Demand Status Report. Ms. OHLUND reported an 8% reduction in the Retail Zone demand and commended staff on their outreach which has generated positive customer feedback with a we're-all-in-this –together sense of community.

ACTION TAKEN:

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

D. Drought Response Report. Ms. OHLUND said she didn't have anything to add to the report.

ACTION TAKEN:

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

7. Financial Matters.

- A. Schedule of Disbursements. Schedules of disbursements in the following amounts were presented: \$742,454.94 from Wholesale and Retail Operating Funds, \$2,477.12 for directors' payroll, and \$42,426.99 for employees' payroll.
- B. Investment Activity. Schedules of investments were presented.
- C. Financial Statements (August 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 (BELL absent), 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. Accounting System. Ms. OHLUND reported on the evaluation of several systems, and staff's conclusion that the higher cost of the systems other than QuickBooks could not be justified given the District's small size. She said that internal controls lacking in earlier versions are now included. Some training would be needed with each system.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (BELL absent), staff was authorized to purchase and implement QuickBooks Enterprise Solutions 2015 Financial Accounting System at a cost not-to-exceed \$20,000.

8. Miscellaneous Matters.

- A. Reports from Committees and Representatives to Organizations. Director DAVERT reported that the City of Tustin co-sponsored a water forum with Irvine Ranch Water District which was well organized, presented and attended. Ms. OHLUND added that she made a presentation at the forum on the history of the District and the history and sources of imported water in Orange County including short videos.
- B. Directors' Reports on Meetings Attended. None.
- C. Authorization of Conference Attendance. Ms. OHLUND requested an indication of who would be interested in attending the upcoming MWDOC Water Elected Officials Forum and the Wayne Clark and Kathryn Barr retirement celebrations.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (Bell absent), Directors EVERETT and VANDERWERFF were authorized to attend the Water Elected Officials Forum and any Directors who wished to do so were authorized to attend the Wayne Clark and Kathryn Barr retirement celebrations.

9. Informational Items.

A. General Interest Publications. Included were a *Business Wire* article on the Fitch bond rating service's report on water infrastructure investment as an indicator of drought preparedness; and a *Courthouse News Service* article on the long-running legal dispute over Bay Delta pumping restrictions to protect endangered salmon species pursuant to a 2009 biological opinion.

10. Adjournment.ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (Bell absent), the meeting was adjourned at 5:30 p.m., the next regular meeting date and time being Thursday, November 20, 2014, 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