

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

March 3, 2011

1. **Call to Order.** An Adjourned 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, March 3, 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

2. **Public Communications to the Board.** None.
3. **Items Arising After Posting of Agenda.** None.
4. **Operation, Management and Construction Matters.**

A. **MWDOC and Member Agencies Agreement.** Director BELL said that as he is an employee of MWDOC, he would recuse himself from this item and he left the meeting room. Ms. OHLUND reported that she had prepared and reviewed with MWDOC General Manager Kevin Hunt the draft letter of transmittal of EOCWD's approval of the agreement, expressing EOCWD's reservations and concerns that the agreement as an accord does not put a fuller and more lasting end to the divisive issues among Orange County water agencies that led to the agreement. Director DULEBOHN raised for discussion whether the portion of the letter describing north county efforts should be worded more neutrally, and after discussion it was the consensus to retain the draft wording. Various edits and corrections were suggested.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (BELL recused), the draft agreement was approved, together with the letter of transmittal as presented with the corrections discussed.

Director BELL rejoined the meeting.

B. Retail Zone 2011 Water System Improvements Project. The proposal from RCE Consultants was reviewed. Director DULEBOHN asked whether any related improvements should be added to efficiently take advantage of the timing of the design work. Ms. OHLUND noted an area below Circula Panorama, but said design work will generally need to be updated if there is a delay in construction. As to inspection, Ms. OHLUND said she is considering asking for proposals from neighboring agencies as well as consultants.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, a contract was awarded to RCE Consultants, Inc., in an amount not to exceed \$71,576 for engineering design services and engineering services during construction, for the Retail Zone 2011 Water System Improvements Project, and execution by the General Manager was authorized.

5. Financial Matters.

A. Budget/Water Rates. Ms. OHLUND made a powerpoint presentation of the information she is developing to be used in the rate process, and invited the Board's input. She highlighted key assumptions and other aspects of the preliminary analysis of wholesale and retail revenues, expenses, capital needs and rates. As to the use of a multi-year retail rate schedule, Director BELL said in his view a one-year schedule was preferable. After discussion of the merits of adopting a one-year rate schedule versus a three-year schedule, it was the consensus that a three-year schedule be proposed. Director BELL suggested that there be a gradual rather than immediate transition of the meter charges to AWWA criteria.

6. Miscellaneous Matters.

- A. Reports from Committees and Representatives to Organizations. None.
- B. Directors' Reports on Meetings Attended. None.

7. Informational Items. None.

8. Adjournment.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the meeting was adjourned at 6:55 p.m., to the next regular meeting date and time being Thursday, March 17, 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