

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

March 31, 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 5:00 p.m. on Thursday, March 31, 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

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.** None.
5. **Financial Matters.**

A. **Retail Water Rates – Proposed Rate Adjustments and Proposition 218 Hearing Process.** The Board reviewed the draft water rate study and the proposed rates presented by Ms. OHLUND. President VANDERWERFF said in his view the deferral of funding of necessary capital improvement projects was too long. Discussion followed regarding increases in the capital project component of the rates. Ms. OHLUND discussed how the adjustment of the capital project deferral and the acceleration of capital funding would be reflected in the rate study and revisions to the proposed amounts of the capital project rate component to \$15.00 in 2011, \$17.00 in 2012 and \$20.00 in 2013. Discussion followed. Director DULEBOHN said he felt there should be less of an increase in these amounts.

**ACTION TAKEN:**

Upon a motion duly made, seconded and carried (4-0-1, Dulebohn abstaining), the revisions to the proposed capital project component were approved and the retail rate adjustments as presented and revised were approved as the proposed retail rate adjustments.

Also reviewed was the form of the Proposition 218 notice to be sent. Ms. OHLUND said the frequently asked questions sheet would be folded and inserted into the notice. Various revisions were discussed in the notice text. Ms. OHLUND prepared revised drafts and a consensus was reached on a final version.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, staff was authorized and directed to mail the notice of a hearing on the proposed rates to be held on May 25, 2011, at the El Modena Branch Orange Public Library.

**6. Miscellaneous Matters.**

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

B. Directors' Reports on Meetings Attended. President VANDERWERFF distributed and reported on a letter sent to Serrano Water District, copied to LAFCO, reporting on the efforts the two Districts undertook to look at consolidation options and concluding that while the Districts mutually concluded it was best to remain independent, they had successfully negotiated a contract to share financial accounting staff.

7. Informational Items. None.

8. Adjournment.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the meeting was adjourned at 6:30 p.m., to the next regular meeting date and time being Thursday, April 21, 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