

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

April 19, 2012

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, April 19, 2012, 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
JOSEPH REICHENBERGER	Loyola Marymount University
MEGAN TROTT, KARA DROZ, MICHAEL HARMON	Loyola Marymount University engineering students

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

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

4. **General Manager's Report.** President VANDERWERFF asked that staff urge the County to complete the Newport-Crawford Canyon work before the next rainy season. Director DULEBOHN requested elaboration on the reported Foothill High School connection fees, and Ms. OHLUND responded that the connection relates to an adjacent alternative school facility.

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 March 15, 2012, were approved as corrected.

6. Operation, Management and Construction Matters.

B. Irvine Ranch Water District Orange Park Acres Wells Mitigated Negative Declaration/Joint Well. The Ad-Hoc Well Committee (President VANDERWERFF and Director BELL) and Ms. OHLUND reported on the recent meeting with IRWD, and said good progress was being made. Ms. OHLUND said the concept being discussed was an umbrella agreement for joint projects, with an individual agreement for each project. She added that the IRWD well project would have a pumping capacity limitation and that the yield would be governed by an existing agreement between IRWD and the City of Orange. Director DULEBOHN asked about coverage of other supply sources for the developments served by the IRWD well. Ms. OHLUND responded that such sources would be within the intended scope of the umbrella agreement to cover other joint projects. Director BARRETT asked what transmission mains will be needed in connection with the joint well. Ms. OHLUND said that will depend on the location and described the potential mains.

C. Water Demand Status Report. Ms. OHLUND said the report was in line with March demands from prior years. Director CHAPMAN noted Orange's lack of demand. Ms. OHLUND said Orange as well as IRWD have indicated their interest in having their connections be emergency-only, and she will bring the system implications to the Engineering Committee and the financial implications to the Finance Committee. Ms. OHLUND said that the retail demand is in line with projections and staff is looking at whether the full amount of the second approved rate increase step will be needed this June.

7. Financial Matters.

A. Schedule of Disbursements. Schedules of disbursements in the following amounts were presented: \$156,569.27 from Wholesale and Retail Operating Funds, \$0 from the Chapman Avenue Account, \$1,748.20 for directors' payroll, and \$34,571.09 for employees' payroll. On behalf of the Finance Committee, Director CHAPMAN 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 CHAPMAN said there was no unusual activity and 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 (February 29). Ms. OHLUND noted the pages showing explanations in regard to under and over-budget items. On behalf of the Finance Committee, Director CHAPMAN 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. Morgan Stanley Account Signature Authorization. Director BARRETT noted that Morgan Stanley's requested authorization was inconsistent with the District's policy requiring two Directors' signatures, and Director BELL added that the requested authorization also allows instruction by any authorized person. It was suggested that Ms. OHLUND submit modifications to the requested instructions consistent with the District standard signature authorization resolution.

8. Miscellaneous Matters.

A. Transition of ACWA Health Benefits Authority (HBA) to ACWA Joint Powers Insurance Authority (JPIA). Ms. OHLUND said based on concerns at ACWA with the ongoing operations of HBA, a decision was made to merge it with JPIA, to reduce costs and improve operations. This requires the HBA members' ratification of the termination of the HBA agreement.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, Resolution No. 702 was adopted, entitled: "Resolution of the Board of Directors of the East Orange County Water District Consenting To Join the Health Benefits Program of the ACWA Joint Powers Insurance Authority, Ratifying the Action of the ACWA Health Benefits Authority Board Of Directors To Terminate the Health Benefits Authority Joint Powers Agreement, and Authorizing and Directing the General Manager To Execute All Necessary Documents"

B. Paperless Agendas/ Replacement Devices for Agenda Packages. Ms. OHLUND said that staff has examined software, equipment and training needs and is ready to recommend moving forward. Discussion followed as to the accessibility of information. Ms. ARNESON said that legal guidance in this area hasn't been fully developed for agency-owned or personally-owned tablet devices. Ms. OHLUND added that it was important to be diligent in keeping personal and District information separate. Director CHAPMAN said it would be his preference to obtain his own tablet device. The use of an allowance was discussed and staff was requested to see how other agencies have handled this. President VANDERWERFF

proposed that the transition be taken under consideration. Director DULEBOHN said it appeared staff had completed the necessary investigation and a decision should be made. It was the consensus that staff proceed with implementation of paperless agendas.

6. Operation, Management and Construction Matters.

A. Loyola Marymount University Presentation of Hydraulic Model. Ms. OHLUND introduced Dr. JOSEPH REICHENBERGER, with his senior civil engineering students MEGAN TROTT, KARA DROZ and MICHAEL HARMON, who had developed hydraulic models of the District's retail and wholesale systems as their project. They presented their work, including definition of objectives, selection of methods, data collection and inputs, and model simulation of various facilities' operations. They provided brief demonstrations of the retail and wholesale models using different demand scenarios. The Board and Ms. OHLUND commended the Loyola team and expressed the District's appreciation for their efforts on this project.

8. Miscellaneous Matters. (cont'd)

C. Report on MWDOC Public Policy and Ethics Workshop. Ms. OHLUND reported on the workshop. She added that the Board members' ethics training is needed this year for the current two-year cycle, and noted an upcoming training session in Vista.

D. Report on municipal bond and debt financing workshop. Ms. OHLUND reported on the recent WACO seminar. She said the District is now debt-free, but added that debt strategies may have advantages to consider in the current low-rate environment.

E. MWDOC Board and Member Agency Elected Official Forum. Ms. OHLUND said previously Director CHAPMAN was designated to attend in President VANDERWERFF's absence, but both are interested in attending the forums.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, President VanderWerff and Vice President Chapman were appointed as the District's representatives to attend the semi-annual MWDOC elected official forums.

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

G. Directors' Reports on Meetings Attended. None.

9. Informational Items. No discussion.

10. Closed Sessions. President VANDERWERFF announced that the Board would meet in the following closed session as listed in the agenda: **(A)** conference with legal counsel – anticipated litigation – significant exposure to litigation (Government Code Section 54956.9(b)) (one potential case).

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 7:45 p.m., the next regular meeting date and time being Thursday, May 17, 2012, 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