

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

May 15, 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 5:00 p.m. on Thursday, May 15, 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 minutes with respect to Item 2(A) were recorded by General Manager OHLUND).

The following Directors were present: RICHARD BELL, DOUGLASS DAVERT, JOHN DULEBOHN, SEYMOUR EVERETT and WILLIAM VANDERWERFF.

Also present were:

LISA OHLUND	General Manager
JERRY MENDZER	Maintenance & Operations Superintendent
JOAN ARNESON	District Secretary and Legal Counsel (by telephone)
RICHARD BARRETT	Former Director
DOUG CHAPMAN	Former Director
KEN VECCHIARELLI	Golden State Water Company

2. **Closed Session.** President VANDERWERFF announced that the Board would meet in a closed session listed in the agenda as follows: **(A)** conference with legal counsel – anticipated litigation – initiation of litigation pursuant to Government Code § 54956.9(d)(4) (one potential case). Ms. ARNESON was excused from this closed session.

OPEN SESSION

Open session was resumed at 6:00 p.m. No action was reported from the closed session. Ms. ARNESON joined the meeting (telephonically).

3. **Public Communications to the Board.** None.
4. **Items Arising After Posting of Agenda.** None.

5. **General Manager's Report.** In response to question from President VANDERWERFF about discussion with Serrano Water District on the scope of needed facilities, Ms. OHLUND clarified that occasionally Serrano Water District is asked if they want to participate on a shared services basis in items to be put out for bids or quotations.

ACTION TAKEN:

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

6. **Minutes.**

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the minutes of the meeting of April 17, 2014 were approved as submitted.

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

A. **Orange County Sanitation District #7 – Public Hearing.** President VANDERWERFF declared the hearing on the application of East Orange County Water District to the Local Agency Formation Commission (LAFCO) for the activation of the District's sewerage powers and annexation of territory to the District to be open. He asked the Secretary if all requirements for notice had been met. Ms. ARNESON said the notice was published in the *Orange County Register* on April 24, 2014, and presented an affidavit of publication.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the affidavit of publication as presented to the Board was received and filed.

Ms. ARNESON briefly explained that the purpose of the hearing was to permit interested persons to comment upon the proposed activation of the District's sewerage powers and annexation of territory to the District.

Ms. OHLUND said she did not have anything to add to staff's written report.

Public comment was invited. There was no one present who wished to comment. Ms. OHLUND indicated that no written correspondence was received in relation to the proposed activation of sewerage powers and annexation of territory.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (EVERETT abstaining), the hearing was closed and Resolution No. 736 was adopted entitled "Resolution of Application by the East Orange County Water District Requesting the Local Agency Formation

Commission To Initiate Proceedings for the Reorganization of Territory (Rescinding Resolution No. 729)."

B. Orange County Sanitation District #7 Local Sewer Service Reorganization – Status Report. Ms. OHLUND said she had nothing to add to the written report.

C. Water Demand Status Report. Ms. OHLUND recapped the demand trends.

8. Financial Matters.

A. Schedule of Disbursements. Schedules of disbursements in the following amounts were presented: \$482,894.56 from Wholesale and Retail Operating Funds, \$1,866.07 for directors' payroll, and \$51,171.48 for employees' payroll. On behalf of the Finance Committee, Director DAVERT recommended approval.

B. Investment Activity. On behalf of the Finance Committee, Director DAVERT recommended approval of the investment schedules.

C. Financial Statements (March 31). On behalf of the Finance Committee, Director DAVERT recommended receipt and filing of the financial statements.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, 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. Municipal Water District of Orange County (MWDOC) 2014-15 Budget. Ms. OHLUND reported that pursuant to the settlement agreement, the MWDOC Board prepares the budget. Issues continue to be raised as to the inclusion of core versus choice services. She added that with committee approval (BELL recusing), a letter was sent to MWDOC by EOCWD, Mesa Water District and Yorba Linda Water District expressing support for MWDOC's budgeting process.

E. Orange County Water District (OCWD) 2014-15 Budget. Ms. OHLUND reported that the OCWD budget was adopted, reflecting an increase from 70 to 72% in the basin production percentage and an increase in the existing \$276 per acre foot replenishment assessment. Ms. OHLUND said she would like to have an OCWD representative attend an upcoming meeting to address this Board concerning its groundwater replenishment program.

9. Miscellaneous Matters.

A. Recognition of Richard Barrett's Services. Mr. BARRETT and President VANDERWERFF recalled their initial meetings when President VANDERWERFF first came on the Board, and one of the issues at that time was the takeover of the Retail Zone, which proved successful. President VANDERWERFF expressed his appreciation to Mr. BARRETT for his

many years of excellent service. Director EVERETT introduced himself to Mr. BARRETT, saying it was an honor to be appointed to fill his seat. Ms. OHLUND read the resolution.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, Resolution No. 735 was adopted entitled "Resolution of the Board of Directors of the East Orange County Water District Expressing Appreciation, Commemorating and Inviting Public Attention To the Outstanding Services Rendered by Richard E. Barrett As A Member of the District's Board of Directors."

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

C. Directors' Reports on Meetings Attended. Director EVERETT thanked staff for a tour of District facilities.

D. November 2014 Election.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, it was determined that the District will not pay for candidates' statements and that candidates' statements shall contain a maximum of 200 words.

10. Informational Items.

A. General Interest Publications. Included was a March 2014 *Public Policy Institute* paper, *Paying For Water in California*.

Ms. OHLUND described a recent repair involving a hydrant pad and wall, commending staff's quick, efficient and low-cost approach.

12. Adjournment.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the meeting was adjourned at 6:40 p.m., the next regular meeting date and time being Thursday, June 19, 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