

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

June 19, 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, June 19, 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 9(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
GREG NEWMARK	Special Counsel Meyers Nave

2. Public Communications to the Board. None.

3. Items Arising After Posting of Agenda. None.

4. General Manager's Report. In response to questions Ms. OHLUND said the water quality report is still required to be mailed this year but in the future, posting it on the District's website will satisfy the requirement. In regard to a public communications focus group discussion session at MWDOC today Ms. OHLUND said it came out unexpectedly that water agencies are not held in higher regard by the public than governmental agencies in general.

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 May 15, 2014 were approved as submitted.

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

A. 2014 Consumer Confidence Report.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the 2014 Water Quality Report was received and filed.

B. Administrative Staffing. President VANDERWERFF said staff's recommendations were reviewed by the Operations & Personnel Committee, and the Committee agreed with the recommended actions.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the creation of an Administrative Assistant position classification series and Management Analyst position, with funding of one Administrative Assistant and one Management Analyst in the 2014/15 budget and the hiring of one of the positions prior to July 1 2014 to maximize training, were authorized.

C. Orange County Sanitation District #7 Local Sewer Service Reorganization – Status Report. Ms. OHLUND said staff is in regular contact with LAFCO staff, and that the scoping phase of the municipal services review is continuing.

D. Grand Jury 2013-14 Report - Sustainable and Reliable Orange County Water Supply. Ms. OHLUND reported that MWDOC will respond, and recommended that EOCWD support that by responding with a brief letter. It was the consensus that she proceed with the letter as recommended.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the Grand Jury Report was received and filed.

E. Water Demand Status Report.

ACTION TAKEN:

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

7. **Financial Matters.**

A. Schedule of Disbursements. Schedules of disbursements in the following amounts were presented: \$541,018.69 from Wholesale and Retail Operating Funds, \$2,406.66 for directors' payroll, and \$35,076.00 for employees' payroll.

B. Investment Activity. Schedules of investments were presented.

C. Financial Statements (April 30). The financial statements were presented.

On behalf of the Finance Committee, Director DAVERT 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, 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. Uncollectible Accounts. Director BELL inquired if the amount was in line with the historical range, and Ms. OHLUND responded that it was.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the writeoff of uncollectible retail accounts and collection in accordance with adopted procedures was authorized.

E. 2014-15 Budgets. Ms. OHLUND summarized the current position of the retail and wholesale revenues and expenditures in comparison with the 2013-14 budget to actual, and reviewed highlights in the current budget line items including water, replenishment assessment, wages and benefits and the new positions added earlier in the meeting. She reviewed sources of revenue and budgeted capital expenditures.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, Resolution Nos. 738 and 739 were adopted, entitled: "Resolution of the Board of Directors of East Orange County

Water District Adopting Operating Budget and Making Determination Relative To Appropriations Subject To Limitation For 2014/2015 Fiscal Year (Overall District);” and

“Resolution of the Board of Directors of East Orange County Water District Adopting Operating Budget and Making Determination Relative To Appropriations Subject To Limitation For 2014/2015 Fiscal Year (Retail Zone).”

F. Wholesale Rates. Ms. OHLUND said the recommended wholesale per acre foot rate increase was \$923.50 effective January 1, 2015.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, Resolution No. 740 was adopted, entitled: “Resolution of the Board of Directors of East Orange County Water District Establishing Rates For Sale of Water On A Wholesale Basis Within the District.”

8. Miscellaneous Matters.

A. California Special Districts Association (CSDA) Election. A letter was placed before the Board from CSDA Region 6 director Bill Nelson recommending support for candidate Arlene Shafer. Ms. OHLUND recommended incumbent Elaine Sullivan, a passionate advocate for special districts. The candidates were discussed.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, it was determined that the District’s vote for the CSDA Board Region 6 (Seat C) representative be cast for incumbent Elaine Sullivan.

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

C. Directors’ Reports on Meetings Attended. None.

D. Authorization of Conference Attendance. President VANDERWERFF asked if it would be possible to reserve a table at the Policy Forum. Ms. OHLUND agreed and said she would pursue it.

ACTION TAKEN:

Upon motions duly made, seconded and carried unanimously, Directors BELL, DULEBOHN, EVERETT and VANDERWERFF along with the General Manager were authorized to attend the MWDOC Water Policy Forum Dinner, and Directors BELL, DULEBOHN and EVERETT were authorized to attend the Urban Water Institute Annual Conference.

10. **Informational Items.** None.

9. **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

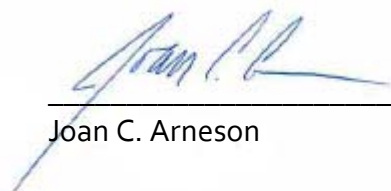
Open session was resumed. No action was reported from the closed session.

11. **Adjournment.**

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the meeting was adjourned at 6:30 p.m., the next regular meeting date and time being Thursday, July 17, 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