

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

September 18, 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 5:05 p.m. on Thursday, September 18, 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 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
CHRISTI GRISWOLD	District Management Analyst
JOAN ARNESON	District Secretary and Legal Counsel
KEN VECCHIARELLI	Golden State Water Company
WILLIAM EVEREST	Consultant
SHAWN DEWANE	Raymond James Financial Services, Inc.

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

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

4. **General Manager's Report.** Ms. OHLUND commended District employees for obtaining Grade I collection system maintenance certificates with efforts on their own time.

**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 August 21, 2014 were approved as submitted.

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

A. Project Management Services – Wholesale and Retail Master Plans and Treatment Plant Feasibility. Ms. OHLUND said the District was fortunate to have available to it the project management and engineering services of WILIAM EVEREST who was recently retired and had extensive planning and engineering experience in California as well as nationally and internationally. His experience includes involvement on the Baker Plant now under construction for several agency participants. For the feasibility analysis President VANDERWERFF noted the importance of keeping the scope of the treatment plant reasonable and cost-effective. Mr. EVEREST introduced himself and concurred, stating that his experience with the Baker Plant will be useful in that regard.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, a contract for project management and engineering services for Wholesale and Retail Zone Master Plan Updates and Peters Canyon Treatment Plant Feasibility Study was awarded to William Everest, and the General Manager was authorized to execute the contract in the not-to-exceed amount of \$40,000.00.

B. Orange County Sanitation District #7 Local Sewer Service Reorganization – Status Report. Ms. OHLUND reported on stakeholder agencies meetings, and said as requested LAFCO was setting a schedule for comment; the comment period will conclude in about 60 days. She said it was likely to be a lengthy process, and probably would go through the end of the calendar year even if there were no comments, and longer if LAFCO must develop responses to any comments. She also reported that the Tustin City Council endorsed the transfer to EOCWD, and she also hoped to receive a letter of support from Foothill Community Association following a productive educational session with their representatives.

C. Conservation Implementation Procedures Report. Ms. OHLUND reported that pursuant to the Board's direction in implementing steps to achieve a 20% reduction in water use and the Level 1 drought restrictions under the District's ordinance, Staff's focus was on outreach and working with the customers.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the Conservation Implementation Procedures Report was received and filed.

- D. Water Demand Status Report. Ms. OHLUND reported a reduction in demand.

ACTION TAKEN:

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

- E. Drought Response Report. Ms. OHLUND said this report will outline staff's ongoing activities in the system.

ACTION TAKEN:

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

**7. Financial Matters.**

- A. Schedule of Disbursements. Schedules of disbursements in the following amounts were presented: \$791,826.37 from Wholesale and Retail Operating Funds, \$3,094.72 for directors' payroll, and \$68,230.56 for employees' payroll.

- B. Investment Activity. Schedules of investments were presented.

- C. Financial Statements (July 31). The financial statements were presented.

On behalf of the Finance Committee, Director DULEBOHN 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. Investment Management. Shawn Dewane distributed and reviewed a handout summarizing the District's investment of a portion of its funds in laddered CDs. This program was obtaining a better yield performance than the state's Local Agency Investment Fund (LAIF) or the Orange County Pool. President VANDRWERFF asked that the Finance Committee study whether other portions of the portfolio could be reinvested in something comparable. Ms. ARNESON noted that the Government Code specifies percentage limitations on CDs and Ms. OHLUND said the current amount is close to maximizing the available percentage. President VANDERWERFF asked the committee to explore other instruments that might be available, and Director DAVERT requested that Ms. OHLUND first discuss this with Mr. DEWANE before directing it to the committee for review.

## 8. Miscellaneous Matters.

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

B. Directors' Reports on Meetings Attended. None.

C. Reduction of Employer-Paid Member Contribution (EPMC) to Public Employees' Retirement System (PERS). Ms. OHLUND reported that this action was needed by PERS to formalize the Board's action last month, continuing its direction begun in 2013, consistent with state legislation effecting pension reform, to reduce the EPMC to zero by 2018 and have the employees paying their full amount. As was done last year, the Board offset the reduction with a salary adjustment. She said a corresponding revision of the Personnel Policy was also recommended.

### ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, Resolution Nos. 747 and 748 were adopted, entitled "Resolution of the Board of Directors of East Orange County Water District Modifying Employer Payment of Employee Contribution To Public Employees' Retirement System" and "Resolution of the Board of Directors of East Orange County Water District Rescinding Resolution No. 724 and Adopting Revised Personnel Policy."

D. Authorization of Conference Attendance. Ms. OHLUND requested an indication of who would be interested in attending the upcoming MWDOC Water Policy Forum dinner (she said she was unable to attend this one) and the December ACWA Fall conference in San Diego.

### ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, Director BELL was authorized to attend the ACWA Conference, and Directors BELL, DAVERT, EVERETT, and VANDERWERFF were authorized to attend the Water Policy Forum dinner.

## 9. Informational Items.

A. General Interest Publications. Included were a *Los Angeles Times* editorial in the aftermath of the 6.0 Napa earthquake, on the hazard posed by earthquakes to the state's water supplies; a *Chico Enterprise-Record* editorial on the groundwater legislation and its basis and implications; and a *Central Valley Business Times* video on submarine (offshore) desalination powered by wave action. Ms. OHLUND noted that these articles were published within a day of one another and showed the diversity of views on the state's water issues from different areas of the state.

10. Adjournment.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the meeting was adjourned at 5:40 p.m., the next regular meeting date and time being Thursday, October 16, 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,



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Joan C. Arneson