

MINUTES OF THE REGULAR AND SPECIAL MEETINGS
OF THE BOARD OF DIRECTORS OF
EAST ORANGE COUNTY WATER DISTRICT

November 19, 2015

1. Call to Order. A Special 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, November 19, 2015, in the offices of the East Orange County Water District, 185 N. McPherson Road, Orange, California. The Special Meeting was then recessed, and the Regular Meeting was called to order. JOAN ARNESON, Secretary, recorded the minutes of the Regular meeting.

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

LISA OHLUND	General Manager
JERRY MENDZER	Maintenance & Operations Superintendent
SYLVIA PRADO	District Administrative Assistant
JOAN ARNESON	District Secretary and Legal Counsel
BILL EVEREST	District Consultant
ART VALENZUELA	City of Tustin

2. Public Communications to the Board. None.

3. Items Arising After Posting of Agenda. None.

4. General Manager's Report. President VANDERWERFF inquired as to the status of the item re security system improvement project at the Peters Canyon site, and Ms. OHLUND elaborated.

ACTION TAKEN:

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

5. Minutes.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (EVERETT absent), the minutes of the meeting of October 15, 2015 were approved as submitted.

6. Operation, Management and Construction Matters.

A. Project Approvals and Notice of Exemption. Ms. OHLUND recommended approval of the reservoir rehabilitation, repairs and improvement projects and the determination of exemption under the California Environmental Quality Act.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (EVERETT absent), the reservoir rehabilitation, repairs and improvements projects (Peters Canyon Reservoir Site Drainage Improvements and Reservoir Rehabilitation Projects and Vista Panorama Hydropneumatic Tank Seismic Improvements) were approved, it was determined that the projects are exempt from the California Environmental Quality Act and the General Manager was authorized to file a notice of exemption.

B. Award of Peters Canyon Reservoir (6MG) Site Drainage Improvements. Director BELL reported that the Engineering Committee Ms. OHLUND recommended the award.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (EVERETT absent), the contract for construction of the Peters Canyon (6mg) Reservoir Site Drainage Improvements was awarded to Champion Paving, for the total bid price of \$202,048.

C. Recognition of Richard Bell's Retirement from MWDOC. Ms. OHLUND read the proposed resolution recognizing Director BELL's retirement from Municipal Water District of Orange County

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (EVERETT absent), Resolution No. 760 was adopted, entitled "Resolution of the Board of Directors of the East Orange County Water District Commending Richard B. Bell For His Forty-Nine Years of Loyal and Dedicated Service to the Southern California Water Community."

D. 2015/16 Severe Weather Outlook – Inventory of District Facilities. Ms. OHLUND reported that this item was to update the report previously given to the Board.

7. Financial Matters.

A. Schedule of Disbursements. Schedules of disbursements in the following amounts were presented: \$568,215.41 from Wholesale and Retail Operating Funds, \$2,170.23 for directors' payroll, and \$35,518.59 for employees' payroll.

B. Investment Activity. Schedules of investments were presented.

C. Financial Statements (September 30). 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 (EVERETT absent), the schedules of disbursements were approved as submitted, the schedules of investments were ratified and approved, and the financial statements were received and filed.

8. Miscellaneous Matters.

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

B. Directors' Reports on Meetings Attended. President VANDERWERFF reported on the WACO meeting, including discussion of the predicted El Niño conditions. Ms. OHLUND noted that MWDOC's reliability study is also a focus of discussion.

C. Authorization of Conference and Meeting Attendance.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (EVERETT absent), all were authorized to attend the annual employee recognition holiday luncheon (December 18).

D. Orange County Sanitation District #7 Local Sewer Service Reorganization – Status Report. Ms. OHLUND reported that the District's application was deemed complete.

E. Water Demand Status Report.

ACTION TAKEN:

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

F. Drought Response Report. Ms. OHLUND updated the activities on warnings and penalties.

ACTION TAKEN:

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

9. Informational Items.

A. General Interest Publications. Recent publications were included in the agenda for general interest.

10. Closed Sessions. President VANDERWERFF announced that the Board would meet in closed session, as follows: **(A)** conference with real property negotiators (Government Code Section 54956.8) – property: 14-inch waterline easement crossing portion of lots fronting Lemon Hill Drive, Lemon Circle and Lemon Leaf Lane, unincorporated Orange County; negotiating parties: Newport Coast Capital, LLC; agency negotiators: General Manager Ohlund; under negotiation: price and terms of payment (quitclaim of easement)

OPEN SESSION

Open session was resumed. No action was reported.

11. Adjournment of Regular Meeting/Reconvene Special Meeting.

Upon a motion duly made, seconded and carried unanimously (EVERETT absent), the regular meeting was adjourned. The Special Meeting was then reconvened, with all Directors present except Director EVERETT. Ms. ARNESON left the meeting at this time. General Manager OHLUND recorded the minutes below.

Orange County Sanitation District #7 Local Sewer Service Reorganization. General Manager OHLUND related the input that was received from the community during the October 28, 2015 Community Workshop held by LAFCO on the sewer transfer, and that several members of the public, as well as the Orange County Apartment Association, commented on the proposed rate to be charged by EOCWD. She noted that one of the reasons cited by LAFCO staff in making their recommendation to award the sewers to IRWD was the 50% reduction in rates IRWD had proposed.

ACTION TAKEN:

Following discussion, upon a motion duly made, seconded and carried unanimously (EVERETT absent), Staff will revise the Service Area 7 financing plan to include using a combination of PAYGO and debt issuance that will provide rates to be reduced by 50% from the current OCSD charges for single and multi-family residences for a period of five years with no rate increase, and will submit the revised rates to LAFCO.

3. Adjournment.

ACTION TAKEN:

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

December 17, 2015, 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