

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

October 20, 2016

1. Call to Order. A Regular Meeting of the Board of Directors of the East Orange County Water District was called to order by DOUGLASS DAVERT, President of the Board of Directors, at 5:00 p.m. on Thursday, October 20, 2016, 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 (General Manager OHLUND recorded the minutes for Item 9B).

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

LISA OHLUND	General Manager
JERRY MENDZER	Maintenance & Operations Superintendent
SYLVIA PRADO	District Administrative Assistant
JOAN ARNESON	District Secretary and Legal Counsel (by telephone)
BRIAN LOCHRIE	CommunicationsLab
JUSTIN GLOVE	CommunicationsLab
BILL EVEREST	Consultant
FRANK CAHILL	RCE
JOHN LEWIS	Lewis Consulting

2. Public Communications to the Board. JUSTIN GLOVE and BRIAN LOCHRIE presented a first place award from the PR Society of America, for 2016 Orange County effective public relations campaign.

3. Items Arising After Posting of Agenda. Ms. OHLUND said it was announced at the MWDOC Managers meeting that Director Susan Hinman will retire. A resolution of commendation was proposed to be added to the agenda.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, it was determined that the need to take immediate action on such item came to the District's attention after posting of the agenda and that such item was added to the agenda.

4. Consent Calendar.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the consent calendar actions were adopted as follows.

- A. Minutes: "THAT THE MINUTES OF THE SEPTEMBER 15, 2016 MEETING BE APPROVED AS SUBMITTED"
- B. General Manager's Report: "THAT THE GENERAL MANAGER'S REPORT BE RECEIVED AND FILED"
- C. Agreement for vehicle maintenance services: "APPROVE AND AUTHORIZE GENERAL MANAGER TO EXECUTE AGREEMENT WITH CITY OF ORANGE FOR VEHICLE MAINTENANCE SERVICES, SUBJECT TO NON-SUBSTANTATIVE CHANGES APPROVED BY THE GENERAL MANAGER"

5. Operation, Management and Construction Matters.

A. Alexander Lane and Stoller Lane Waterline Improvements. Ms. OHLUND reported that staff will be meeting with the affected residents to discuss logistics.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the project was approved, it was determined that the project is exempt from the California Environmental Quality Act and that the General Manager was authorized to file a Notice of Exemption.

B. Engineering Design and Geotechnical Services for Alexander Lane and Stoller Lane Waterline Improvements. Director BELL commented on the Operations & Engineering Committee review of the proposals. Ms. OHLUND briefly reviewed the work that will be done in this project.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, a contract with RCE Consultants, Inc., for provision of engineering design services in the not-to-exceed amount of \$37,500 and a contract with Ninyo & Moore, for provision of geotechnical services in the not-to-exceed amount of \$15,978, were approved for the Alexander Lane and Stoller Lane Waterline Improvements, and the General Manager was authorized to execute the contracts.

C. Budget Amendment – OC-70 Meter. Ms. OHLUND reported that certain costs needed to be added.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the wholesale water budgeted amount for the OC-70 Meter Project was increased to \$29,980.

D. Vehicle Use Policy. Ms. OHLUND reported that the proposed policy would reflect Internal Revenue Service requirements as well as personal use requirements including incidental personal stops when traveling between the District and home.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, Resolution No. 784 was adopted, entitled: "Resolution of the Board of Directors of the East Orange County Water District Approving Vehicle Use Policy."

E. Appointment of Operations Manager. Ms. OHLUND announced that the District was very honored to have Mr. MENDZER accept this position effective November 1. Congratulations were offered by the Board and Mr. MENDZER expressed his appreciation for this opportunity.

7. **Financial Matters.**

A. Schedule of Disbursements. Schedules of disbursements in the following amounts were presented: \$512,428.24 from Wholesale and Retail Operating Funds, \$2,193.27 for directors' payroll, and \$54,465.09 for employees' payroll.

B. Investment Report/Ratification of Investment Activity. Schedules of investments were presented.

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

President DAVERT reported that the Finance Committee 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. Budget Amendment – Improvement District 1 Capital Projects. Ms. OHLUND reported that a number of capital projects are needed, and it is hoped that some of these can be bundled for completion in a 6-9 month period. The \$950,000 estimate is from OCSD engineering staff.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the 2016-17 ID 1 capital projects budget was revised to \$1,666,100, to add \$950,000 for repairs and rehabilitation.

7. **Miscellaneous Matters.**

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

B. Directors' Reports on Meetings Attended. President DAVERT reported that he, Director BELL and Ms. OHLUND met with representatives of Serrano Water District to discuss areas where there might be cooperation and cost savings. He also reported on his attendance at the OCSO state of the District breakfast, the Orange Mayor's prayer breakfast, and the ISDOC luncheon with Director DULEBOHN. Director SEARS reported on his attendance of the WACO meeting, which included a presentation from CSDA's Kyle Packham on the Little Hoover Commission.

C. Wholesale and Retail Water Usage. Ms. OHLUND reported that wholesale sales were reduced with the cooler weather.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the wholesale and retail water usage report was received and filed.

D. Authorization of Conference/Meeting Attendance.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, each Director was authorized to attend the ACWA Fall Conference in Anaheim and the MWDOC Water Policy dinner, and requested to let staff know of their decisions.

E. Commendation of Susan Hinman.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, Resolution No. 785 was adopted by title: "Resolution of the Board of Directors of the East Orange County Water District Commending and Expressing Appreciation To Susan Hinman For Her Services To The Municipal Water District Of Orange County."

8. Informational Items.

A. General Interest Publications. Included were: Jeff Kightlinger, General Manager, *Metropolitan Water District H2outlook blog*, "Delta Restoration: Welcome Signs of Progress;" John Laird, Secretary, Natural Resources Agency, *The Mercury News*, "Delta Peril: Loma Prieta memories should remind."

9. Closed Sessions. President DAVERT announced that the Board would meet in closed session as listed in the agenda, as follows: **(A)** conference with real property negotiator – property: 210 N. McPherson Road, Orange, negotiating parties: City of Orange, Agency Negotiator: General Manager Ohlund, Under negotiation: price and terms of payment;

(B) conference with Legal Counsel – existing litigation pursuant to paragraph (1) of subdivision (d) of Government Code Section 54956.9 – *Irvine Ranch Water District v. Orange County Water District*, Case No. 30-2016-00858584-CU-WM-CJC.

Following closed session (A), Ms. ARNESON left the meeting.

OPEN SESSION

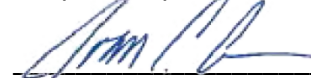
Open session was resumed, with Directors BELL, DAVERT, DULEBOHN, EVERETT and SEARS present. No action was reported from the closed sessions.

10. Adjournment.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the meeting was adjourned at 6:55 p.m., the next regular meeting date and time being Thursday, November 17, 2016, 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