

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

November 18, 2010

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, November 18, 2010, 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 BARRETT, DOUGLAS CHAPMAN, JOHN DULEBOHN and WILLIAM VANDERWERFF.

Also present were:

LISA OHLUND	General Manager
JERRY MENDZER	Maintenance & Operations Superintendent
JOAN ARNESON	District Secretary and Legal Counsel
ROB HANFORD	Golden State Water Company
FRED ADJARIAN	City of Orange

2. **Public Communications to the Board.** None.
3. **Items Arising After Posting of Agenda.** None.
4. **General Manager's Report.** Ms. OHLUND responded to questions concerning the ongoing West Well treatment for control of heterotrophic plate counts. She also responded concerning the topic of Director Bell's recent presentation to the MWDOC Managers' meeting, stating that he discussed the indicators that a classic dry La Niña pattern is occurring in winter 2010-11, but a few La Niña years have been wet.

ACTION TAKEN:

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

5. **Minutes.** Director BARRETT inquired whether there was any update on the discussion to be pursued with the County on the coordination of pipeline erosion repairs with the pending resurfacing of Baja Panorama. Ms. OHLUND said she had indicated the District's position to defer the repairs until they can be coordinated with any resurfacing by the County, and the ball was now in the County's court to set up a meeting.

ACTION TAKEN:

Upon motions duly made, seconded and carried unanimously (Bell absent), the minutes of the meetings of October 21, 2010 (as submitted) and November 3, 2010 (as corrected) were approved.

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

A. **Budget-Based Water Rates.** /B. **Purchase of Water Billing Software Module.** President VANDERWERFF requested that these two items be continued, so that Director Bell can be present. Director CHAPMAN requested that further information be included on what the billing package will do, when these items are brought back,

C. **Employee Rental Residence.** Ms. OHLUND reported that historically the District has rented the residence at the Peters Canyon facility to an employee, to provide some measure of security. Ms. OHLUND said the District's new Water Distribution Worker has expressed an interest, and he and his wife are comfortable with the fact that the residence is remotely located. Ms. OHLUND said some repair work on the residence is needed. She said she had reviewed the insurance coverage of these types of rental arrangements with ACWA JPIA, and she also was able to obtain and adapt provisions from some agreements used by agencies in comparable situations. Comments and proposed revisions to the draft agreement were made by the Board members: clarification that lease is not compensation equivalent; electric gate; limit area where landscaping work is required to immediately surrounding residence; written releases from tenant, spouse and guests; class of fire extinguishers to be kept on site; tenant's responsibility for interior painting; \$50 per month nonrefundable fee. Ms. ARNESON said she had some other revisions and clarifications she would provide to Ms. OHLUND.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (Bell absent), the rental agreement for the Peters Canyon employee residence was approved with modifications as discussed, for execution by the General Manager.

D. **Water Conservation Report.** Ms. OHLUND reported that recent sales revenues for all agencies were down, and Metropolitan Water District is considering the discontinuation of the allocation.

10. Closed Sessions. President VANDERWERFF took this item out of sequence as a Director had indicated a need to leave the meeting shortly. 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: premises leased for telecommunications at 9312 Jamboree Road, Orange; negotiating parties: AT &T /New Cingular; agency negotiators: Director VanderWerff and General Manager Ohlund; under negotiation: price and terms of lease amendment; **(B)** conference with real property negotiators (Government Code Section 54956.8) – property: District wholesale and retail system assets; negotiating parties: Serrano Water District; agency negotiators: Directors VanderWerff and Bell; under negotiation: price and terms of acquisition.

Ms. ARNESON was recused from closed session item (B).

OPEN SESSION

Open session was resumed. No action was reported from the closed session. Director DULEBOHN left the meeting at this time.

7. Financial Matters.

A. Schedule of Disbursements. The Board reviewed schedules of disbursements in the following amounts: \$625,460.67 from Wholesale and Retail Operating Funds, \$0 from the Chapman Avenue Account, \$2,021.96 for Directors' payroll, and \$32,702.27 for employees' payroll.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (Bell and Dulebohn absent), the schedules of disbursements were approved as submitted.

B. Investment Activity. On behalf of the Finance Committee, Director CHAPMAN reported that there was no unusual activity and recommended approval.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (Bell and Dulebohn absent), the schedules of investments (September and October) were ratified and approved.

C. Financial Statements.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (Bell and Dulebohn absent), the financial statements were received and filed.

D. Wholesale Water/Revenue Losses. Ms. OHLUND reported that staff's proposal to adopt a revised billing methodology, using full cost apportionment among the retailers, was reviewed with the retailers and they expressed their preference for the District to impose a per acre foot charge. She said this matter would be brought back to the Finance Committee for further discussion.

8. Miscellaneous Matters.

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

B. Directors' Reports on Meetings Attended. None.

C. ACWA Health Insurance Authority Election of Officers. It was the consensus that in light of the Board's lack of familiarity with any of the candidates, Ms. OHLUND should request MWDOC's recommendations and cast the District's votes as she deems appropriate.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (Bell and Dulebohn absent), the General Manager was directed to cast the District's votes for candidates as deemed appropriate, to serve as the representatives of the Southern Region.

D. EOCWD 50th Year Acknowledgement. The staff recommendations to purchase a banner and add a website banner headline were discussed. It was the consensus that only the website banner headline be implemented.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (Bell and Dulebohn absent), the addition of a website banner headline to commemorate the District's 50th year anniversary was approved and ratified.

9. Informational Items.

1. Storm Damage Erosion Repairs – Peters Canyon (6MG) Reservoir and Baja Panorama Transmission Main – Revised Engineering Services Proposal. Ms. OHLUND reviewed the cost breakdowns and scope clarifications made as requested at the last meeting.

2. Metropolitan Water District Shutdown Schedule. Ms. OHLUND noted that no problems were anticipated, and she was unaware of any concerns of the retailers.

11. Adjournment.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the meeting was adjourned at 6:30 p.m., to Thursday, December 16, 2010, 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