

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

February 15, 2018

**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, Director, at 5:01 p.m. on Thursday, February 15, 2018, in the offices of the East Orange County Water District, 185 N. McPherson Road, Orange, California. JEFF HOSKINSON, Secretary, recorded the minutes of the meeting.

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

LISA OHLUND	General Manager
SYLVIA PRADO	District Administrative Assistant
JERRY MENDZER	Operations Manager
JEFF HOSKINSON	District Secretary and Legal Counsel
NICHOLAS J. ARHONTES	Consultant
FRANK CAHILL	RCE Consultants
JOHN LEWIS	Lewis Consulting
ERIC O'DONNELL	TPA

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

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

**4. Consent Calendar.**

**ACTION TAKEN:**

On a motion by SEARS, seconded by BELL, the Board adopted by unanimous vote, of those members present, the consent calendar actions as follows:

- A. Minutes: "THE MINUTES OF THE JANUARY 11, 2018 SPECIAL MEETING AND TWO JANUARY 23, 2018 SPECIAL MEETINGS OF THE BOARD WERE APPROVED AS SUBMITTED."
- B. General Manager's Report: "THE GENERAL MANAGER'S REPORT WAS RECEIVED AND FILED."
- C. Committee Appointments/Form 806: "THE BOARD RECEIVED AND FILED THE COMMITTEE APPOINTMENTS."
- D. Legal Services Retention Letter with Atkinson, Andelson, Loya, Ruud & Romo: "THE BOARD AUTHORIZED THE GENERAL MANAGER'S EXECUTION OF THE PROPOSED LEGAL SERVICES ENGAGEMENT LETTER WITH ATKINSON, ANDELSON, LOYA, RUUD & ROMO."

**6. Financial Matters (Taken Out of Order)**

D. Fiscal Year 2016/17 Audit Presentation. Audit presentation delivered by The Pun Group, highlighting several key aspects of the audit report, and presented to the Board.

**ACTION TAKEN:**

On motion by DULEBOHN, seconded by BELL, which carried unanimously among those Board members present, the Board audit report was received and filed.

**7. Miscellaneous (Taken Out of Order)**

D. Regional/State Issues.

- i. Townsend & Associates Monthly Report on State Issues and Legislation of Interest. Eric O'Donnell from Townsend & Associates provided a brief overview of pending legislation in Sacramento, indicating that there had been, to date, slow bill introduction, with sexual harassment scandals having resulting in the loss a supermajority in the State Legislature. It was anticipated that several hundred bills would be introduced in the final days for such submission. State revenues were healthy. Mr. O'Donnell highlighted three bills of interest: SB 623 (safe and affordable drinking fund); SB 998 (water shutoff limitations); and a CalPERS pension bill. It was anticipated that Governor will have some water conservation legislation pending.

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

A. Low Demand Operating Plan: Director Bell indicated that the Engineering Committee has reviewed the plan, and supported staff recommendation. Director Dulebohn noted that the City of Tustin did not to attend a meeting held with customer agencies to discuss solutions, and expressed a desire for the City of Tustin to be more involved. Ms. Ohlund made a presentation relative to the issues created during periods of low demand, relative to aging water being held in the District's wholesale distribution system post-treatment on the way to delivery to the City. Ms. Ohlund indicated that 300 acre-feet per month, the system operates without issue; however, at low demand of 40-acre feet per month there is no operational method available to prevent the water from aging in the system, with aging of up to 19 days, as compared to the goal of a maximum of 2 days of aging.

Ms. Ohlund touched upon the 3 scenarios identified in the plan as potentially addressing the aging issue; with varying degrees and risk and cost. Scenario 5 was the most viable solution, leaving the entire wholesale system operational, but requiring agencies to buy an average of 90-acre feet per month, with Tustin's portion more than desired.

Scenarios 8 and 9 were also presented, involving bringing certain vaults and/or pipelines out of service; but presented several risks, including unavailable emergency water and a risk of poor quality water from shut-down pipes. Ms. Ohlund indicated that regional planning was necessary, with the wholesale system in mind. Otherwise the District is required to flush substantial amounts of water.

Director Bell inquired as to whether water could be flushed to OCSD through the sewer system, to benefit the Groundwater Replenishment System. Ms. Ohlund indicated that was complicated, and it depended, but at the moment there was no permit to flush into the sewer system. Ms. Ohlund indicated that the City of Tustin recently had interfered with flushing of the system, not allowing flushing of the lines. Director Dulebohn referenced that the District needed to reinforce the message that this is a water quality issue.

ACTION TAKEN: None. Information and Discussion Item Only.

**B. Revisions to Personnel Manual**

ACTION TAKEN:

The Board, on motion by SEARS, seconded by BELL, unanimously, among those members present, approved the modifications to the Personnel Manual, as presented.

**C. Semi-Annual Strategic Plan Update Report: Presentation by General Manager Ohlund** relative to District efforts relative to main and lateral repairs, and efforts to check and clean pipe. Ms. Ohlund provided an overview and comparison of the District's line breaks per mile, as compared to other agencies; as well as a breakdown of the average hours without service for breaks, as compared to other agencies. The District was substantially lower on both comparisons. Ms. Ohlund also provided an overview on the sewer system, and related spills, providing a comparison as between the District and other agencies, including the District's predecessor, Orange County Sanitation District (OCSD). The District's increased cleaning scheduled was attributed with the drop in spills, and the District's lower than average rate of issues. Ms. Ohlund also reported negligible non-rated related customer complaints, with the average agency receiving 10 complaints per year, while the District had one in 2014, and none otherwise.

Director SEARS inquired as to how the District stood in areas if no energy was available, and as to what the backup energy plan might be. Ms. Ohlund reported that the entire system had access to energy, and had emergency back-up power and portable generators in key positions. The District has enough resources available, with its generators, for 3 days of operation on backup power; and an added 3 days with its emergency fuel trailer. Director BELL suggested that energy be discussed at the Engineering Committee meeting.

ACTION TAKEN:

On motion by DULEBOHN, seconded by BELL, which carried unanimously among those members present, the Board received and filed the Strategic Plan Update Report.

**6. Financial Matters.**

- A. Approval of schedules of disbursements.
- B. Report on investments/ratification of investment activity.
- C. Receipt and filing of financial statements (December 31, 2017).

**ACTION TAKEN:**

On motion by DULEBOHN, seconded by BELL, which carried unanimously among those Board members present, the Board (1) approved the schedules of disbursements as submitted; (2) ratified and approved the schedule of investments, as presented; and (3) received and filed the financial statements.

**7. Miscellaneous Matters.**

A. Wholesale and Retail Water Usage Report. Ms. OHLUND noted that the dry winter covered to higher demands; but also added that despite the hardening demand, there were still signs of conservation.

**ACTION TAKEN:**

Upon motion by BELL, seconded by DULEBOHN, which carried unanimously among those members present, the Board received and filed the wholesale and retail water usage report.

B. Conference and Meetings Travel Requested. The Board discussed that no members planned to attend ACWA in Sacramento in May; not noted that the General Manager should monitor those legislative bills the District is opposing, and confer with Committees if attendance appropriate. The Board did authorize all members to attend the Water Summit.

C. Director's Reports on Meetings Attended at District Expense (Govt. Code § 53232.3). Directors BELL and DAVERT indicated attendance at the Urban Water Institute conference, along with Ms. Ohlund. Director SEARS and DAVERT also indicated attendance at the Water Advisory Committee of Orange County (WACO), along with General Manager Ohlund.

- D. Regional/State Issues.
  - ii. Opposition to Senate Bill 998

ACTION TAKEN:

On motion by DAVERT, seconded by DULEBOHN, which carried unanimously among those Board members present, the Board approved the proposed opposition letter, as presented, and authorized its execution and delivery.

- iii. Presentation from John Lewis on Regional Issues. John Lewis of Lewis Consulting Group made a presentation on various regional and State issues.

**8. Informational Items**

- A. General interest publications.

**9. Closed Sessions.** President DAVERT announced that the Board would meet in closed sessions listed in the agenda as follows:

- A. Conference with Real Property Negotiators (Govt. Code § 54956.8):  
  
PROPERTY: 9312 Jamboree Road/9764½ Handy Creek Road, Orange, CA  
(Assessor Parcel No. 105-015-32)  
  
AGENCY NEGOTIATOR: Lisa Ohlund; Deborah Fox, Meyers Nave  
  
NEGOTIATING PARTY: New Cingular Wireless PCS, LLC, CCATT, LLC and  
CCATT Holdings, LLC, and Crown Castle MU, LLC  
  
UNDER NEGOTIATION: Price and terms of payment (lease amendment)
- B. Conference with Legal Counsel – Anticipated Litigation - Initiation of Litigation, held pursuant to paragraph (4) of subdivision (d) of Government Code Section 54956.9: one potential case.
- C. 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-WMCJC.

ACTION TAKEN:

The Board reported that no reportable action was taken in Closed Session.

10. Adjournment.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the meeting was adjourned at 7:19 p.m., with the next regular meeting date and time being Thursday, March 15, 2017, 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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Jeff Hoskinson