

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

August 18, 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, August 18, 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 gB).

The following Directors were present: RICHARD BELL, DOUGLASS DAVERT, JOHN DULEBOHN 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
BILL VANDERWERFF	Former Member of the Board
JAYSON SCHMIDT	Chandler Asset Management
ART VALENZUELA	City of Tustin
BILL EVEREST	Consultant
NICHOLAS J. ARHONTES	Consultant
JOHN LEWIS	Lewis Consulting
JIM FISLER	Mesa Water
MIKE J. HERRERA	self

2. **Public Communications to the Board.** Mr. VANDERWERFF asked if there would be a briefing on the Service Area 7 sewer transfer. Ms. OHLUND said a workshop was held on August 9 but she would be happy to brief him.

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

4. **Consent Calendar.**

Item D was removed from the Consent Calendar. JIM FISLER was invited to address the Board. He expressed his appreciation for the Board's support of his candidacy for ISDOC Board President.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (Everett absent), the District expressed its support JIM FISLER for ISDOC Board President.

ACTION TAKEN:

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

- A. Minutes: "THAT THE MINUTES OF THE JULY 21, 2016 MEETING BE APPROVED AS SUBMITTED"
- B. General Manager's Report: "THAT THE GENERAL MANAGER'S REPORT BE RECEIVED AND FILED"
- C. Introduction of new employees [informational]

6. Financial Matters.

D. Reserve Fund Investment Strategy. Ms. OHLUND reported that the recommended strategy stressed safety and liquidity before yield. Mr. SCHMIDT presented and discussed proposed strategies in the current interest rate environment.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (Everett absent), the Chandler Asset Management, Inc., short- and long-term reserve fund investment strategy was approved.

5. Operation, Management and Construction Matters.

A. Wastewater discharge regulations – an Ordinance of the Board of Directors of the East Orange County Water District Establishing Wastewater Discharge Regulations.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (EVERETT absent), it was determined that the ordinance be introduced and read by title only, further reading of the ordinance was waived, and the Secretary was directed to place the ordinance on the agenda for the September 15, 2016 meeting for second reading and adoption."

Ms. ARNESON read the title of the ordinance.

B. FOG Program regulations – an Ordinance of the Board of Directors of the East Orange County Water District Adopting Fats, Oils and Grease Control Regulations Applicable to Food Service Establishments.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (EVERETT absent), it was determined that the ordinance be introduced and read by title only, further reading of the ordinance was waived, and the Secretary was directed to place the ordinance on the agenda for the September 15, 2016 meeting for second reading and adoption."

Ms. ARNESON read the title of the ordinance.

C. Part-Time Intern Assistance For Operations and Administration. Ms. OHLUND said she was not yet certain what level of assistance will be needed.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (EVERETT absent), funding was approved for part-time operations and administration interns.

D. Award of Contract for Records Management. Ms. OHLUND said the system will be used on the District's server and will make responding to public records requests more efficient.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (EVERETT absent), a contract was approved for purchase of records management system from ECS/LASERFICHE for a price of \$21,150.

6. Financial Matters.

A. Schedule of Disbursements. Schedules of disbursements in the following amounts were presented: \$494,776.90 from Wholesale and Retail Operating Funds, \$1,157.24 for directors' payroll, and \$46,247.82 for employees' payroll.

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

C. Financial Statements (June 30). 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 (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.

7. Miscellaneous Matters.

- A. Reports from Committees and Representatives to Organizations. None.
- B. Directors' Reports on Meetings Attended. None.
- C. Wholesale and Retail Water Usage. Ms. OHLUND reported that usage was up. Outreach efforts are planned.

ACTION TAKEN:

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

- D. Drought Report. Ms. OHLUND said she had nothing to add to her report.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (EVERETT absent), the drought report was received and filed.

8. Informational Items.

- A. General Interest Publications. Included were: *Maven's Notebook/TED X Talk," 4 Ways We Can Avoid a Catastrophic Drought;" Courthousenews.com," Polluted Stormwater Isn't Owned by Bay Area Cities, Monsanto Says;"* and "CBSLocal.com: "Will California Be On The Hook For \$16 Billion Delta Tunnels Project?"

President DAVERT reported that a District election will not be held in November as only he and Director Sears filed for the available seats.

- 9. Closed Sessions.** President DAVERT announced that the Board would meet in closed sessions listed in the agenda as follows: **(A)** conference with consultant to discuss threat to public services or facilities pursuant to Government Code Section 54957(a)); **(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.

Ms. ARNESON left the meeting after item 9(A).

OPEN SESSION

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

10. Adjournment.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the meeting was adjourned at 6:40 p.m., the next regular meeting date and time being Thursday, September 15, 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