

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

March 17, 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, March 17, 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.

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
KEN VECCHIARELLI	Golden State Water Company
BILL EVEREST	District Consultant
ART VALENZUELA	City of Tustin
ROB HUNTER	Municipal Water District of Orange County

2. Public Communications to the Board. None.

3. Items Arising After Posting of Agenda. None.

4. General Manager's Report. Ms. OHLUND said she had no additions to the written report.

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, the minutes of the meeting of February 18, 2016 were approved as corrected.

6. Operation, Management and Construction Matters.

A. Wholesale and Retail Connection Fees – Postponement of Hearing. On the recommendation of Ms. OHLUND the matter was postponed to provide staff additional time for review and development of recommendations.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, further consideration of the wholesale and retail connection fees was postponed, to be rescheduled for a future date.

B. Peters Canyon 6MG Reservoir Site Drainage Improvements. Mr. MENDZER showed slides depicting various portions of the completed improvements. Ms. OHLUND said staff recommended acceptance.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the revised contract amount of \$209,048 was approved, the project was accepted as complete, the General Manager was authorized to file notice of completion, and the payment of the retention was authorized following expiration of the period set forth in the contract.

C. OC-70 Meter Installation. Ms. OHLUND recommended that the project budget amount be increased to \$35,000 in order to include vault design and other costs.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the project was approved, a project budget was approved in the amount of \$35,000, it was determined that the project is exempt from the California Environmental Quality Act and the General Manager was authorized to file a notice of exemption.

D. Peters Canyon 6MG Reservoir Leak Identification Project. Ms. OHLUND said the leak identification system (LIDS) would help to provide an early opportunity to make repairs if any should be needed.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the project was approved, a project budget was approved in the amount of \$80,000, it was determined that the project is exempt from the California Environmental Quality Act and the General Manager was authorized to file a notice of exemption, and a contract for services related to the installation of the monitoring wells was awarded to G3Soilworks for the total bid price of \$18,100.00.

E. Citizens Advisory Committee. The Board discussed their views on what role, if any, Board members should have. Ms. OHLUND said the committee would provide a forum for citizens to become educated on issues affecting the District, and the Board members could have periodic involvement as desired. Ms. ARNESON said it was the intent to bring back a resolution to formalize this, and it was the consensus to wait until after the Committee's first meeting has been held as proposed at the end of March, to further explore what approach should be taken.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, as interim steps the East Orange County Water District Citizens Advisory Committee was formed, the mission statement and issues outline for the Committee were adopted, and the initial members of the Committee as recommended were appointed.

F. Local Agency Formation Commission Independent Special District Selection Committee – Election of LAFCO Special District Representative. It was the consensus that the existing designation of the District's alternate representatives to the ISDSC should remain, and there was no need to amend the resolution. President DAVERT recommended that the Board authorize the District representative to support Charley Wilson.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the District's ISDSC representative was authorized to support Charley Wilson.

G. Municipal Water District of Orange County Rate Study. Director BELL stated that he would abstain from participation in this item. General Manager HUNTER made a powerpoint presentation, including history and background of MWDOC's rates, the 2011 agreement among the members on core and choice activities and migration to a per meter charge, the inclusion of charges to OCWD for replenishment water, and a comparison of the effects of four rate scenarios (meters, equivalent meters, population, and imported water use) on the member agencies. The migration of some of the water use efficiency programs to the core activities was discussed. Ms. OHLUND said staff would be bringing to the Board for consideration the question of how MWD's and MWDOC's rates will be recovered in the wholesale rates and charges.

ACTION TAKEN:

Upon a motion duly made, seconded and carried 4-0-1 (BELL abstaining), a statement of the Board was approved as follows: "The Board of Directors of the East Orange County Water District endorses the fixed fee methodology that recovers MWDOC's reasonable and necessary costs through imposition of a charge based upon a uniform charge per meter or a uniform charge per meter by size of the meter. Further, the Board endorses the core and choice methodology with the stipulation that public information and water use efficiency

services are included as core services, and that choice programs are services that are directly tied to a specific benefit that a member agency receives that other member agencies do not.”

H. Strategic Plan Status Report. Following the scorecard reporting format, Ms. OHLUND reported on the progress toward the strategies and objectives under the five goals.

7. Financial Matters.

A. Schedule of Disbursements. Schedules of disbursements in the following amounts were presented: \$276,813.71 from Wholesale and Retail Operating Funds, \$2,054.11 for directors’ payroll, and \$40,486.13 for employees’ payroll.

B. Investment Activity. Schedules of investments were presented.

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

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, 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. Director SEARS reported on the two recent WACO meetings.

C. Authorization of Conference and Meeting Attendance.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, all Directors were authorized to attend the OC Water Summit.

D. Orange County Sanitation District #7 Local Sewer Service Reorganization – Status Report. Ms. OHLUND added to her written status report that tomorrow LAFCO should be posting notice of the consideration of the District’s application at the April 13 Commission meeting.

E. Water Demand Status Report. Ms. OHLUND reported that demand was up because of the hot weather but the target was still met. She said the District’s reduction target

will be reduced by the 7% credit for GWRS approved by the State Board. She reported on the District's pursuit of proportionality recognizing GWRS contribution.

F. Drought Response Report. Ms. OHLUND discussed proposed ads in the *Sentry* and, referring to the District's baseball outreach theme, commended the customers on meeting the target in 6 of the nine "innings."

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the Water Demand Status Report and Drought Response Report were received and filed.

9. Informational Items.

A. General Interest Publications. Included were: *California Special Districts Association*, "The Future of Special Districts in 2016;" *Orange County Register*, "Storms might not be ending the drought, but they're swelling lakes and dams in Northern California."

10. Closed Sessions. President DAVERT announced that the Board would meet in closed sessions listed in the agenda as follows: **(A)** conference with legal counsel – existing litigation – Government Code Section 54956.9(a) – *Ebinger v. Yorba Linda Water District*, 30-2016-00829548 (concerning participation as amicus curiae); **(B)** conference with labor negotiators (Govt. Code §54957.6) – agency designated representatives: Directors Davert and Dulebohn – unrepresented employees: General Manager

OPEN SESSION

Open session was resumed, with all Directors present. Ms. ARNESON reported that on the first closed session item, it was determined that the District shall file an amicus curiae letter. No action was reported from the second closed session item.

11. Adjournment.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the meeting was adjourned at 7:00 p.m., the next regular meeting date and time being Thursday, April 21, 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