

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

July 17, 2014

**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, July 17, 2014, 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 minutes with respect to Item 9(A) were recorded by General Manager OHLUND).

The following Directors were present: RICHARD BELL, DOUGLASS DAVERT, JOHN DULEBOHN, SEYMOUR EVERETT (by teleconference from location indicated on agenda) and WILLIAM VANDERWERFF.

Also present were:

LISA OHLUND	General Manager
JERRY MENDZER	Maintenance & Operations Superintendent
JOAN ARNESON	District Secretary and Legal Counsel (by telephone)
DOUG CHAPMAN	Former Director
GREG NEWMARK	Special Counsel Meyers Nave (by telephone)
PAUL COOK	Irvine Ranch Water District
GRAHAM JUBE	Carollo Engineers
KEN VECCHIARELLI	Golden State Water Company
ART VALENZUELA	City of Tustin
JONATHAN VOLZKE	Communications LAB
CHRIS BOUCLY	Communications LAB

**2. Public Communications to the Board.** Paul Cook, representing Irvine Ranch Water District (IRWD) was recognized. He said that on EOCWD's local sewer service reorganization, IRWD has so far not had a role, but with the recent receipt of information from LAFCO, he was now in a position to take this to his Board, and would try to do so quickly to accommodate

EOCWD's timing. Director DAVERT asked that EOCWD have the opportunity to participate and a forum to discuss mutual issues when this occurs, and Mr. COOK responded that he would try to find a way to accommodate such participation. President VANDERWERFF said that he would like to have IRWD support EOCWD in this. Mr. COOK said he had spoken with Ms. OHLUND about types of support that IRWD might provide, if his Board is willing, so he would make that part of the consideration of this question.

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

4. **General Manager's Report.**

**ACTION TAKEN:**

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

5. **Minutes.**

**ACTION TAKEN:**

Upon a motion duly made, seconded and carried unanimously (roll call vote), the minutes of the meeting of June 19, 2014 were approved as submitted.

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

A. **Master Plan Updates and Peters Canyon Treatment Plant Feasibility Study.** Ms. OHLUND reviewed the selection process and interviewing team, noting that Carollo had provided a good level of detail on the proposed work effort and demonstrated a good understanding of the District's objectives from the financial perspective. She noted some small plants in operation. She introduced GRAHAM JUBE who indicated Carollo was excited to be taking on this effort with the District. Director BELL said this project would provide value to the District in countering supply uncertainties.

**ACTION TAKEN:**

Upon a motion duly made, seconded and carried unanimously (roll call vote), the contract for the Wholesale and Retail Zone Master Plan Updates and Peters Canyon Treatment Plant Feasibility Study was awarded to Carollo Engineers, and the General Manager was authorized to execute the contract in the not-to-exceed amount of \$493,656.

B. **Bay Delta Conservation Plan – District Comment Letter.** Ms. OHLUND indicated she had nothing to add to the letter as recommended.

ACTION TAKEN:

Upon a motion duly made, seconded and carried on a roll call vote, 4-0-1 with EVERETT abstaining, the President was authorized and directed to sign the letter as presented, and staff was authorized and directed to submit the letter prior to the July 31 comment deadline.

C. State Water Resources Control Board (SWRCB) Emergency Rulemaking – Water Conservation Regulations. Ms. OHLUND reported that in this rather unprecedented step, yesterday MWDOC's General Manager Hunter testified to the SWRCB and provided excellent comments. She said compliance with the requirements adopted by SWRCB should be relatively easy to do under the District's existing ordinance, including some possible revisions in the Ordinance and proceeding to a Level One shortage, and she would bring back recommended actions at next month's meeting. She said it will be necessary to look at implementation of a second tier in the rates as most other agencies with a budget allocation have found necessary for the structure to be effective. Ms. OHLUND noted that Southern California had been doing well in cutting back usage, but recently showed an increase, and the MWDOC Managers would be meeting soon to discuss how best to communicate this to the public. Ms. OHLUND said she expected a high volume of calls from customers and was using Nicole Hopp in that role.

D. Orange County Sanitation District #7 Local Sewer Service Reorganization – Status Report. Ms. OHLUND said she had nothing to add to her written report.

E. Water Demand Status Report. Ms. OHLUND said the most visually descriptive graphic in the report showed the Retail Zone with its highest sales in 5 to 10 years.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (roll call vote), the Water Demand Status Report was received and filed.

**7. Financial Matters.**

A. Schedule of Disbursements. Schedules of disbursements in the following amounts were presented: \$771,951.11 from Wholesale and Retail Operating Funds, \$2,067.00 for directors' payroll, and \$37,088.20 for employees' payroll.

B. Investment Activity. Schedules of investments were presented.

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

On behalf of the Finance Committee, Director DAVERT 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, (roll call vote) 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. Revisions to Retail Zone Rate Schedule Sheet. Ms. OHLUND reviewed changes which did not include any changes to rate amounts, but made clarifications, including clarifications to the customer deposit requirements. Director BELL said he was of the view that construction water should be charged at the same as other water. President VANDERWERFF said he had looked at this and his understanding was that a change in the construction water rate would not require a Proposition 218 hearing process. Ms. ARNESON said she would need to review this in order to advise the Board. It was the consensus to adopt the recommended changes as proposed and bring back the construction water charge.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (roll call vote), the clarifications and revisions to the Retail Zone rate sheet were approved as presented.

E. Unclaimed Monies Policy. Ms. OHLUND said this procedure would allow the District to transfer this money into the General Fund. In response to Director DAVERT's inquiry she said currently about \$300 was unclaimed.

ACTION TAKEN:

Upon a motion duly made, seconded and carried on a roll call vote, 4-0-1 with VANDERWERFF abstaining, Resolution No. 741 was adopted, entitled: "Resolution of the Board of Directors of the East Orange County Water District Adopting Unclaimed Monies Policy."

**8. Miscellaneous Matters.**

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

B. Directors' Reports on Meetings Attended. None.

C. Recognition of Denise Dobson For Services to the District. / D. Recognition of Randy Dunn For Services to the District. Ms. OHLUND said there was a nice luncheon today, and she planned to have these two employees attend a Board meeting for a more formal presentation.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (roll call vote), Resolution Nos. 742 and 743 were adopted, entitled, respectively: "Resolution of the Board of

Directors of the East Orange County Water District Expressing Appreciation, Commemorating and Inviting Public Attention to the Outstanding Services Rendered By Denise Dobson” And “Resolution of the Board of Directors of the East Orange County Water District Expressing Appreciation, Commemorating and Inviting Public Attention to the Outstanding Services Rendered By Randy Dunn.”

E. Award of Contract to Communications LAB For Public Outreach Assistance. Ms. OHLUND said this would provide the District with needed information on a more controlled basis than polling and would assist the District in communicating to the public. JONATHAN VOLZKE and CHRIS BOUCLY of Communications LAB were present to answer any questions. Director DAVERT said he was familiar with the firm’s work and they were uniquely qualified.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously (roll call vote), the contract for provision of a community outreach work plan was awarded to Communications LAB, and the General Manager was authorized to execute the contract in the not-to-exceed amount of \$20,000.

9. Informational Items. None.

10. Closed Session. President VANDERWERFF announced that the Board would meet in a closed session listed in the agenda as follows: **(A)** conference with real property negotiators – (Government Code Section 54956.8) – property: premises leased for telecommunications at 9312 Jamboree Road/9764½ Handy Creek Road, Orange; negotiating parties: AT &T /New Cingular; agency negotiators: Director VanderWerff and General Manager Ohlund; under negotiation: price and terms of lease amendment.

OPEN SESSION

Open session was resumed. No action was reported from the closed session. Ms. ARNESON reported that on a unanimous vote the Board reapproved the Fourth Amendment to the Lease, revising provisions for the location of subsurface conduit and communications lines, providing for an increase in rent, providing for the lessee to reimburse labor costs for installation of the District’s line, modification of premises relocation provisions and related changes.

President VANDERWERFF then announced that the Board would meet in a closed session listed in the agenda as follows: **(B)** conference with legal counsel – anticipated litigation – initiation of litigation pursuant to Government Code § 54956.9(d)(4) (one potential case). Ms. ARNESON was excused from this closed session.

OPEN SESSION


Open session was resumed. No action was reported from the closed session.

11. Adjournment.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the meeting was adjourned at 6:30 p.m., the next regular meeting date and time being Thursday, August 21, 2014, 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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Joan C. Arneson