

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

January 11, 2018

1. **Call to Order.** A Special 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 6:19 p.m. on Thursday, January 11, 2018, at the offices of the East Orange County Water District located at 185 North McPherson Road, Orange, California. District Secretary JEFFREY A. HOSKINSON, recorded the minutes of the meeting.

The following Directors were present: RICHARD BELL, DOUGLASS DAVERT, JOHN DULEBOHN, and JOHN SEARS. Director SEYMOUR EVERETT was not present.

Also present were:

LISA OHLUND	General Manager
FRANK CAHILL	RCE Consultants
NICK ARHONTES	Consultant
JEFFREY HOSKINSON	District Secretary and Legal Counsel
MARLENE POMEROY	Resident
DARRELL KNUDSON	Resident
MARK THOMAS	Resident
DAREN ZUMBERGE	Resident
KATHY MATZGER	Resident
BILL METZGER	Resident
JANET CLESHAW	Resident
NORM CLESHAW	Resident

2. **Public Communications to the Board.** None on Non-Agenda Items.

3. **Welcome, Introduction, and Opening Remarks.** President DAVERT made opening remarks and introduced the members of the Board.

4. **Presentation on Background of Sewer and Septic Issues Generally and Relative to Vista del Lago.** Ms. OHLUND provided a presentation relative to the sewer and septic issue, the particular circumstances as understood relative to the Vista del Lago neighborhood, and the identification of a financing option through the Statewide Community Infrastructure Program (SCIP) for the publicly owned components of a sewer system to connect the homes to the existing sewer system. Ms. Ohlund reiterated the District's commitment to Orange County LAFCO to take efforts to get homes off septic tanks and onto the sewer system, as well as the Vista del Lago neighborhood's positioning as a neighborhood with a higher failure rate and more sophisticated based with experience in efforts to convert to sewer.

5. **Financing – Statewide Community Infrastructure Program.** Ms. Ohlund went into details relative to the tax-exempt financing options presented by SCIP, and provided an overview of the funding mechanism (as well as the limitations associated with SCIP funds not being available to fund the private laterals and abandonments). Ms. Ohlund provided an

example of costs if the project involved \$500,000 of improvements, which would amount to \$570,000 in financing at, an example of 4.75 percent, which would amount to a \$35,910 annual payment (approximately \$3,591 if 10 participants). Ms. Ohlund then provided a description of the SCIP process, and next steps.

6. Question and Answer Opportunity for Attendees. A general discussion occurred relative to Orange County Sanitation District (OCSD) and District connection fees. For those the previously paid District connection fees, those would not be paid again. Discussion also centered on reimbursement agreements if partial participation, so that future participants could participate, but only if paying portions of those costs incurred by those participating now.

Mr. Mark Thomas commented that the group had a choice, and he could go either way. He viewed a long-term value increase, and that future homeowners would want to be connected to the sewer. He also noted that prices have gone up, and that 10 years ago, the project could have been done for the mid-\$200,000s, and now bid out twice, prices are between \$400,000 and \$500,000.

One resident asked about getting quotes for private lateral work. While the District could not assist in that regard, Mark Thomas indicated a ball park of \$20,000-25,000, with prices varying from those who had easy connections (\$10,000) to difficult connections (\$25,000). A general discussion also occurred relative to sewer route options.

Mr. Thomas indicated that in his view, it was now or never for the joint project, and that one property owner had already indicated to him that they will not be able to participate. Residents in attendance then took an informal straw vote, with four of eight indicating a desire to participate, one indicating a desire to know the private lateral costs, and three providing no indication.

Director DAVERT indicated that if the stars aligned, the District was there to help, and he wished the District could do more financially to help. Ms. Ohlund indicated that the District would send a letter, and residents could mark and return indicating their interest in proceeding. The District would want at least 50 percent participation to move towards the next step.

7. Adjournment.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the meeting was adjourned at 7:40 p.m., the next regular meeting date and time being Thursday, January 18, 2018, 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,

Jeffrey A. Hoskinson