

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

December 20, 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 President DOUGLASS DAVERT, Director, at 5:01 p.m. on Thursday, December 20, 2018, in the offices of the East Orange County Water District, 185 N. McPherson Road, Orange, California, with Director DOUGLASS DAVERT leading the Pledge of Allegiance. JEFF HOSKINSON, Secretary, recorded the minutes of the meeting.

The following Directors were present: RICHARD BELL, DOUGLASS DAVERT, JOHN DULEBOHN, GEORGE MURDOCH, and JOHN SEARS.

Also present were:

LISA OHLUND	General Manager
SYLVIA PRADO	District Administrative Assistant
JULIAN DE LA O SOLIS	EOCWD Staff
JEFF HOSKINSON	District Secretary and Legal Counsel
STEVEN ANDREWS	Steven Andrews Engineering
JOHN LEWIS	Lewis Consulting
PAUL KAYMARK	PCG
JENNIFER FARR	Davis Farr
ANDREW GANAHL	Public
DENISE BILODEAU	Orange County Water District
KEN VECCHIARELLI	Golden State Water Company
ARIANNA BARRIOS	Communications Lab
IRIS LEE	Public
LINDSEY MURDOCH	Public

**2. Organizational.**

A. Administration of Oath of Office.

ACTION TAKEN:

Mr. HOSKINSON, as District Secretary, administered the oath of office to Directors BELL, DULEBOHN, and MURDOCH, who, in the absence of other candidates filing for the election, had been appointed by the Board of Supervisors in lieu of election.

B. Election of Officers. Directors DAVERT and BELL were nominated for the offices of President and Vice-President, respectively. Nominations were closed.

**ACTION TAKEN:**

On motion by BELL, seconded by SEARS, the Board unanimously elected Director DAVERT as President. On motion by DULEBOHN, seconded by DAVERT, the Board unanimously elected Director BELL as Vice-President.

**3. Public Communications to the Board.** Orange County Water District (“OCWD”) President Denise Bilodeau commented to the Board, relative to the status of the Orange County Groundwater Basin and groundwater contamination clean-up, along with a general update as to OCWD.

Mr. Ken Vecchiarelli of Golden State Water Company requested that Item No. 5(C) be pulled from the consent calendar for discussion.

**4. Items Arising After Posting of Agenda.** On motion by SEARS, seconded by DULEBOHN, the Board unanimously added consideration of the Southern California Water Coalition luncheon on January 25, 2019, to Agenda Item 8(B) due to the luncheon coming to the District’s attention after the posting of the Agenda and the need for immediate action as the luncheon is before the next meeting of the Board.

**5. Consent Calendar.**

The Board pulled Item No. 5(C) from the Consent Calendar, at the request for Mr. Vecchiarelli. With respect to the balance of the Consent Calendar, on a motion by BELL, seconded by DULEBOHN, the Board adopted by unanimous vote the remaining Consent Calendar items as follows:

- A. Minutes: THE MINUTES OF THE NOVEMBER 15, 2018 REGULAR MEETING OF THE BOARD WERE APPROVED AS SUBMITTED;
- B. General Manager’s Report: THE GENERAL MANAGER’S REPORT WAS RECEIVED AND FILED;
- D. Resolution of Appreciation for City of Orange Mayor Teresa “Tita” Smith: THE BOARD ADOPTED RESOLUTION NO. 840 ENTITLED: “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 TERESA “TITA” SMITH AS MAYOR OF THE CITY OF ORANGE, CALIFORNIA”;
- E. Resolution of Appreciation for Fred M. Whitaker: THE BOARD ADOPTED RESOLUTION NO. 841 ENTITLED: “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 FRED M. WHITAKER AS COUNCILMAN OF THE CITY OF ORANGE, CALIFORNIA.”

With respect to Item No. 5(C):

**C. Request to Join the Community Water Systems Alliance.** General Manager Lisa Ohlund presented the item, relative to the District's desire to join the Community Water System Alliance, which is a non-permanent group designed to aid in the representation of smaller water agencies in the statewide discussion on assisting disadvantaged communities. Mr. Vecchiarelli (GWSC) inquired as to how EOCWD fit within the grand scheme of the organization, relative to the expense of \$10,000, and how much of that transferred from Wholesale agencies. Ms. Ohlund responded that the CWSA was an alliance between mutual water agencies and public water agencies. The mutual water agencies are the primary entities that the State has identified as needing the water tax because they are disadvantaged, yet the water tax will be applied to their water bills also. CWLA was formed at the request of the mutual water agencies to enable both mutual and small water agencies to specifically address the issues identified in the Board memo. Ms. Ohlund indicated that District's Strategic Plan includes outreach and engagement goals with both statewide legislative issues and within the water community; this association meets those goals. Ms. Ohlund indicated that the largest contributor was the Retail Zone, contributing \$7,500 with a smaller share funded by the Wholesale Zone; the source of the funding are contingency funds which are included as a line item in the Operating Budget.

#### ACTION TAKEN

On motion by SEARS, seconded by BELL, the Board unanimously approved EOCWD joining the Community Water Systems Alliance ("CWSA") as a charter member at the \$10,000 level, and the transfer of funds from the Wholesale and Retail Zone Contingency Funds to New CWSA Membership Accounts.

**The Board heard Item Nos. 8(D) and 7(D) in that order, before resuming the balance of the Agenda.**

#### **8. Miscellaneous Matters**

**D. Monthly Legislative and Outreach Report:** John Lewis provided a general update on recent events with the City of Tustin, Orange County Board of Supervisors, Orange County Local Agency Formation Commission (LAFCO), and the Municipal Water District of Orange County ("MWDOC"). Mr. Lewis noted that there would be a special election to fill Attorney-Elect Todd Spitzer's Board of Supervisors seat, after he took his new office, which will have importance to EOCWD in light of the seat affecting the unincorporated territory shared by EOCWD and the important prior support received by EOCWD from Mr. Spitzer.

ACTION TAKEN: None. Information Item Only

#### **7. Financial Matters**

**D. Fiscal Year 2017/18 Audit Presentation.** Presentation by Jennifer Farr of Davis Farr relative to the 2017-18 Audit of EOCWD, whereby Ms. Farr announced that the District had received an Unmodified Audit Opinion. Ms. Farr noted that District Staff had been helpful in providing necessary information. Ms. Farr reported that the audit included a review of internal controls, and found no significant deficiencies and only made two minor

recommendations. Ms. Farr added that the audit included the additional evaluation of customer bills, and in all instances reviewed the amounts and rates charged were correct.

**ACTION TAKEN:**

On motion by SEARS, seconded by DULEBOHN, the Board unanimously accepted the audited June 30, 2018 Financial Statements and directed staff to implement the Auditor's recommendations.

**\*\* The Board returned the balance of the agenda, commencing with Item No. 6(A), in order.**

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

A. Presentation – EOCWD Website Renovation: Arianna Barrios from Communications Lab made a presentation to the Board relative to website improvements.

**ACTION TAKEN:** None. Information Only.

B. EOCWD Backflow Testing Pilot Program. Ms. Ohlund made a brief presentation of the item.

**ACTION TAKEN:**

The Board, on motion by DULEBOHN, seconded by BELL, unanimously adopted Resolution No. 842 entitled, "RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST ORANGE COUNTY WATER DISTRICT ESTABLISHING A SERVICE CHARGE FOR ANNUAL BACKFLOW TESTING PILOT PROGRAM WITH A SERVICE CHARGE OF \$27.75 PER TEST."

**7. Financial Matters.**

A. Approval of schedules of disbursements.

B. Report on investments/ratification of investment activity.

C. Receipt and filing of financial statements (October 31, 2018).

**ACTION TAKEN:**

The Board, on motion by SEARS, seconded by DULEBOHN, unanimously: (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, with an Amended Exhibit J as presented.

**8. Miscellaneous Matters.**

A. Wholesale and Retail Water Usage Report – November 2018. Ms. Ohlund emphasized that retail customers continued to keep 20-25 percent reductions in water use over 2013.

**ACTION TAKEN:**

Upon motion by SEARS, seconded by BELL, which carried unanimously, the Board received and filed the wholesale and retail water usage report.

**B. Conference and Meeting Request.**

1. Urban Water Institute – February 27 – March 1, 2019
2. Southern California Water Coalition Luncheon – January 25, 2019

**ACTION TAKEN:**

On motion by MURDOCH, seconded by DULEBOHN, the Board authorized attendance at (1) the Urban Water Institute Conference by Directors DAVERT and MURDOCH and Ms. Ohlund; and (2) the Southern California Water Coalition luncheon by all members of the Board and Ms. Ohlund.

**C. Director's Reports on Meetings Attended at District Expense (Govt. Code § 53232.3.) and Director's Comments.** Director SEARS reported attendance at the ACWA Conference in November, MWDOC Elected Official Forum and OC Water Advisory Committee Meeting and Finance Committee Meeting in December; Director MURDOCH reported attendance at the ACWA Conference, and made comments relative to his attendance at the conference; Director DAVERT reported attendance at the MWDOC Elected Officials Forum, as well as events in Tustin and Orange for new and leaving council members and a breakfast at the Orange Chamber of Commerce; Director DULEBOHN reported attendance at the Engineer Committee meeting; and Director BELL made comments relative to the California Department of Water Resources efforts relative to the Water Fix and alternative plans for the Bay-Delta, and Federal issues relating to Lake Mead that was at 40 percent capacity at the end of 2017, and losing 1.2 million acre-feet per year due to excess demand.

**8. Informational Items**

- A. General interest publications. Nothing added.

**9. Adjournment.****ACTION TAKEN:**

The meeting was adjourned at 6:00 p.m., to a regular meeting to be held on January 17, 2019, at 5:00 p.m., at the Offices of the East Orange County Water District, 185 N. McPherson Road, Orange, California.

Respectfully submitted,

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Jeff Hoskinson