

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

May 17, 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 DOUGLASS DAVERT, Director, at 5:00 p.m. on Thursday, April 19, 2018, in the offices of the East Orange County Water District, 185 N. McPherson Road, Orange, California. JEFF HOSKINSON, 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
SYLVIA PRADO	District Administrative Assistant
JEFF HOSKINSON	District Secretary and Legal Counsel
FRANK CAHILL	RCE Consultants
JOHN LEWIS	Lewis Consulting
BRAD NEAL	Stradling
MARILYN THOMS	Consultant

2. **Public Communications to the Board.** None.

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

4. **Consent Calendar.**

At the request of President DAVERT, Item 4(D) was pulled from the Consent Calendar. The Board, on a motion by SEARS, seconded by DULEBOHN, adopted by unanimous vote the balance of consent calendar items as follows:

- A. Minutes: “THE MINUTES OF THE APRIL 19, 2018 REGULAR MEETING OF THE BOARD WERE APPROVED AS SUBMITTED.”
- B. General Manager’s Report: “THE GENERAL MANAGER’S REPORT WAS RECEIVED AND FILED.”
- C. Notification of Retail Zone Rate Increase: “THE CORRECTION TO THE NOTIFICATION OF RETAIL ZONE RATE INCREASE WAS RECEIVED AND FILED.”

The Board then considered Item 4(D):

D. Wholesale Zone Low Operations Plan and Funding Program Update: General Manager Ohlund made a brief presentation and update. After brief discussion, Ms. Ohlund recommended that the Board consider forming a Special Committee to meet with representatives of the City of Tustin relative to the Wholesale Zone Low Operations Plan and Funding Program.

ACTION TAKEN:

The Board, on a motion by BELL, seconded by SEARS, which carried unanimously, voted to establish a Special Committee for purposes of meeting with the City of Tustin relative to the Wholesale Zone Low Operations Plan and Funding Program, comprised of President DAVERT and Director EVERETT.

5. Operation, Management and Construction Matters.

A. Vista del Lago Septic-to-Sewer Project Approval and Schedule: Ms. Ohlund provided a general overview of the project, including the failure of the Statewide Community Infrastructure Program (SCIP), and the need to look for private placement financing. With a bank interested, and committed to financing and willing to freeze a rate, the process was moving forward.

Mr. Brad Neal of Stradling, Yocca, Carlson & Rauth made a presentation relative to Community Facilities Districts (“CFDs”), as well as the various roles involved in the formation of a CFD. A formation schedule was discussed, along with potential problems or issues that might arise during formation.

Mr. Mark Thomas, homeowner on Vista del Lago, made a presentation relative to project construction efforts, costs of construction, and contingencies, as well as up-front costs homeowners have invested into the engineering and other soft costs.

ACTION TAKEN:

The Board, on a motion by EVERETT, seconded by SEARS, which carried unanimously, voted to (1) authorize and approve the Vista del Lago Septic-to-Sewer Pipeline Extension Project, as described, for purposes of the California Environmental Quality Act, (2) direct staff to post a Notice of Exemption for the Project, and (3) approve the schedule for the considered formation of a Community Facilities District to finance the Project.

B. Water Loss Control Program – Year III Contract Extension with the Municipal Water District of Orange County (“MWDOC”): Ms. Ohlund presented the item, referencing the 40 gallons per day per connection, and the need for meter testing and leak detection in order to determine the extent to which the loss is real and, to the extent it is, from where it is occurring.

ACTION TAKEN:

The Board, on a motion by BELL, seconded by DULEBOHN, which carried unanimously, approved the Amendment to the Agreement with MWDOC for Water Loss Control Services for an amount not-to-exceed \$36,000, and authorized for such funds to be included in the Fiscal Year 2018-2019 Wholesale Zone and Retail Zone Capital Improvement Budgets.

C. November 2018 Election.

ACTION TAKEN:

The Board, on a motion by SEARS, seconded by EVERETT, which carried unanimously, determined that the District will not pay for candidates' statements and that candidates' statements shall contain a maximum of 400 words, and authorized the District Secretary, or designee, to record the Board's action in such regard and submit the same to the Orange County Registrar of Voters.

6. Financial Matters.

- A. Approval of schedules of disbursements.
- B. Report on investments/ratification of investment activity.
- C. Receipt and filing of financial statements (March 31, 2018).

ACTION TAKEN:

The Board, on motion by DULEBOHN, seconded by SEARS, which carried unanimously among those Board members present, (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.

7. Miscellaneous Matters.

A. Wholesale and Retail Water Usage Report – April 2018. Ms. Ohlund reported that water usage was going back up, but water usage remained at 15-20 percent less than 2013 numbers. Ms. Ohlund also discussed the intended consequences of reduced water usage on sewer systems.

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. Director's Reports on Meetings Attended at District Expense (Govt. Code § 53232.3.) and Director's Comments. Director SEARS reported attendance at the Foothill Community Association meetings, as well as the Water Advisory Committee meeting and Finance Committee meeting. Director DAVERT reported his intention to attend the OC Water Summit on June 1, 2018, had attended to his Independent Special Districts of Orange County ("ISDOC") responsibilities, and visited numerous special district meetings throughout the County relative to the Orange County Local Agency Formation Committee ("LAFCO") vote.

C. Regional and State Issues: Mr. John Lewis made a brief presentation relative activities at the Orange County Board of Supervisors and LAFCO meetings over the past month, the latter of which was cancelled. A report from Townsend was included in the agenda package.

ACTION TAKEN:

None.

8. Informational Items

A. General interest publications.

ACTION TAKEN:

None.

9. Closed Sessions. President DAVERT announced that the Board would not meet in closed sessions, as had been agendized. As such, no closed session was held.

10. Adjournment.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the meeting was adjourned at 5:48 p.m., to a special meeting to be held on June 5, 2018, at 5:00 p.m., at the Offices of the East Orange County Water District, 185 N. McPherson Road, Orange, California.

Respectfully submitted,

Jeff Hoskinson