

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

April 19, 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 3:00 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: DOUGLASS DAVERT, JOHN DULEBOHN, and JOHN SEARS. Director BELL was absent at the commencement of the meeting, but joined the meeting as indicated in the minutes below. Director SEYMOUR EVERETT was absent for the duration of the meeting. Also present were:

LISA OHLUND	General Manager
SYLVIA PRADO	District Administrative Assistant
JERRY MENDZER	Operations Manager
JEFF HOSKINSON	District Secretary and Legal Counsel
NICHOLAS J. ARHONTES	Consultant
FRANK CAHILL	RCE Consultants
ERIC O'DONNELL	Townsend Public Affairs
JUSTIN GLOVER	Communications Lab
JOHN LEWIS	Lewis Consulting
BRIAN LOCHRIE	Communications Lab
MARILYN THOMS	Solutions Project Management

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

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

**4. Consent Calendar.**

The Board, on a motion by SEARS, seconded by DULEBOHN, adopted by unanimous vote of those members present the consent calendar items as follows:

- A. Minutes: "THE MINUTES OF THE MARCH 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."

- A. Notification of Retail Zone Rate Increase: "THE NOTIFICATION OF RETAIL ZONE RATE INCREASE WAS RECEIVED AND FILED."
- C. Acceptance of Open Trench Sewer Line Replacement Project – Beador Construction: "THE BOARD ACCEPTED THE OPEN TRENCH SEWER LINE REPLACEMENT PROJECT AND AUTHORIZED THE GENERAL MANAGER, OR DESIGNEE, TO FILE A NOTICE OF COMPLETION FOR SAID PROJECT."

**\*Director BELL joined the meeting during the presentation on Item 5A, at 3:14 p.m.**

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

A. Communications Plan: General Manager Ohlund introduced Mr. Justin Glover from Communications Lab, who introduced his team, including Mr. Brian Lochrie. Mr. Glover provided a presentation on the Communications Plan, with comments from Ms. Ohlund. Director Dulebohn inquired as to how costs were divided among Retail, Wholesale, and Sewer Zones, to which Ms. Ohlund indicated that various messages were developed for each of the targeted zones; costs were tracked for each and then allocated.

**ACTION TAKEN:**

The Board, on a motion by SEARS, seconded by DULEBOHN, voted unanimously among those members present to approve the Communications Plan, as presented, and direct staff to implement its provisions.

**\*Items 7C was taken before Item 5B.**

**7. Miscellaneous Matters (Out of Order).**

C. Regional and State Issues: Presentations by Eric O'Donnell of Townsend Public Affairs and John Lewis. Mr. O'Donnell provided a legislative update, including updates on AB 1876 (Delta Stewardship Counsel); AB 2283 (Income Tax Exemptions for Turf Removal); AB 831 (Dwelling Unit Fees); SB 929 (Special District Websites); SB 998 (Residential Water Shutoffs); and SB 623 (Water Tax).

Mr. Lewis provided highlights on: (1) County Board of Supervisors meeting, including an update on the Canyon 2 Fire debrief and analysis; and (2) Orange County Local Agency Formation Commission (OC-LAFCO) meeting, including their annual Strategic Planning Meeting.

**\*The balance of the agenda was considered in agendized sequence.**

**5. Operation, Management and Construction Matters (Heard Following Item 7C).**

**B. Wholesale Zone Low Demand Operations Plan:** Ms. Ohlund presented the item, as a follow-up to the discussion in February 2018. After considering Golden State Water Company's ("GSWC") issues raised in February, the District staff refined the proposed methodology, and met with the City of Tustin ("Tustin") and GSWC to review it. The District further reviewed the funding methodology with Raftelis, confirming the readiness-to-serve fee was the appropriate vehicle to use. Tustin has questioned the methodology of determining the price of Low Demand Water under the preferred funding methodology; the Engineering and Operations Committee has requested a meeting with Tustin to further discuss the issues they've raised.

**ACTION TAKEN:**

No Action Taken. Information Only.

**C. Septic Conversions – Vista del Lago Update.** Ms. Ohlund provided an update to the Board, including that the Statewide Community Infrastructure Program ("SCIP") had backed out due to not enough loan amount or households. Financial Advisor Fieldman Rolapp is looking at private-placement options.

**ACTION TAKEN:**

No Action Taken. Information Only.

**6. Financial Matters.**

- A. Approval of schedules of disbursements.
- B. Report on investments/ratification of investment activity.
- C. Receipt and filing of financial statements (February 28, 2018).

**ACTION TAKEN:**

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

- D. Auditing Services Contract for Fiscal Years 2018-2021

**ACTION TAKEN:**

On motion by DULEBOHN, seconded by SEARS, which carried unanimously among those Board members present, the Board approved a three-year contract for auditing services with Davis Farr LLP CPAs for an amount not-to-exceed \$76,210.

**7. Miscellaneous Matters.**

A. Wholesale and Retail Water Usage Report – March 2018.

ACTION TAKEN:

Upon motion by SEARS, seconded by DULEBOHN, which carried unanimously among those members present, 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 attended WACO on March 2, 2018, which featured Edison & Gas Company presentations; MWDOC Elected Officials Meeting on April 5, 2018; WACO meeting on April 6, 2018; and an OCFA Fire Counsel meeting put on by Cowan Heights on April 10, 2018.

Director Dulebohn attended an ISDOC meeting, whereby the voting system was discussed.

Director Davert attended meetings at most of Orange County’s Special Districts as a result of his pursuit of the LAFCO Special District Commission seat, as well as the City of Orange State of City on March 22, 2018 and the ISDOC Luncheon on March 29, 2018 and the ISDOC Executive Committee Meeting on April 3, 2018.

**8. Informational Items**

A. General interest publications. Ms. Ohlund commented on two items. Relative to the Water Fix, she commended the leadership of MWDOC and MWDOC staff, who revived the two tunnel project proposal and worked for its ultimately successful funding approval by Metropolitan Water District of Southern California (“MET”). Ms. Ohlund added that the next focus will be on Colorado River issues.

**9. Closed Sessions.** President DAVERT announced that the Board would meet in closed sessions listed in the agenda as follows:

- A. Claimant: Beador Construction
- B. Conference with Legal Counsel – existing litigation pursuant to paragraph (1) of subdivision (d) of Government Code Section 54956.9 – *Irvine Ranch Water District v. Orange County Water District*, Case No. 30-2016-00858584-CU-WMCJC.

ACTION TAKEN:

The Board reported out of close session that, with respect to Item 9A, the Board approved settlement with Beador Construction in the net amount of \$58,000 on the Open Trench Sewer Line Replacement Project, on motion by SEARS, seconded by BELL, which passed unanimously among those Board members present. The Board took no other

reportable action. Mr. Hoskinson exited Closed Session, and was not present for the discussion on Item No. 9B.

**10. Adjournment.**

**ACTION TAKEN:**

Upon a motion duly made, seconded and carried unanimously, the meeting was adjourned at 4:51 p.m., with the next regular meeting date and time being Thursday, May 17, 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,

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Jeff Hoskinson