

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

December 21, 2017

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, December 21, 2017, 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
JERRY MENDZER	Operations Manager
JEFF HOSKINSON	District Secretary and Legal Counsel
NICHOLAS J. ARHONTES	Consultant
JUSTIN GLOVER	Communications LAB
FRANK CAHILL	RCE Consultants

- 2. Public Communications to the Board.** None.
- 3. Items Arising After Posting of Agenda.** None.
- 4. Consent Calendar.**

ACTION TAKEN:

Items 4(A) and 4(B), the November 16, 2017 Minutes and General Manager's Report, were pulled from the Consent Calendar. On a motion by SEARS, seconded by DULEBOHN, the Board adopted the balance of the consent calendar actions as follows:

- C. Records Destruction Request: THE BOARD APPROVED THE REQUEST TO DESTROY DESIGNATED DISTRICT RECORDS; and
- D. Equipment and Material Surplus Declaration: THE BOARD DESIGNATED AS SURPLUS THOSE THE ASSETS IN THE PRESENTED LIST AND DIRECTED STAFF TO DISPOSE OF SAID ITEMS IN AN ENVIRONMENTALLY AND FISCALLY RESPONSIBLE MANNER."

Relative to Items 4(A) and 4(B):

- A. November 16, 2017 Regular Meeting Minutes: Director BELL pulled item for discussion, focusing on Item 7(A) of November 16, 2017 Minutes. Director BELL asked that the minutes be amended to reflect the added discussion that the increased water usage in October was most likely the result of firefighting efforts

related to the Canyon 2 Fire, including preventative efforts by homeowners, as well as extreme dryness, winds, and fires.

ACTION TAKEN:

The Board, on motion by BELL, seconded by SEARS, unanimously approved the November 16, 2017 minutes, amended to reflect in Item 7(A) that the Board discussed as a cause of increased water usage also extreme dryness, winds, and fires.

- B. **General Manager's Report:** General Manager Ohlund provided an overview an oral update to the General Manager's Report, reflecting on the scheduling of sewer repairs and upgrades. Ms. Ohlund and Mr. Justin Global of Communications Lab provided an update on the communications sent to customers and affected persons relative to project scheduling, involving repairs committed to LAFCO. Ms. Ohlund provided an overview of the website notifications, including repair maps and information.

ACTION TAKEN:

The Board, on a motion, duly seconded, unanimously voted to RECEIVE AND FILE THE GENERAL MANAGER'S REPORT, with respect to Item 4(B).

5. Operation, Management and Construction Matters.

- A. Septic System Conversion Project – Vista Del Lago Conversions and the Statewide Community Infrastructure Program (SCIP): Ms. Ohlund

Recommended Action: "THAT THE BOARD APPROVE A JOINT WORKSHOP MEETING WITH VISTA DEL LAGO PROPERTY OWNERS ON JANUARY 11, 2018."

ACTION TAKEN:

The Board, on motion by Director DAVERT, seconded by SEARS, unanimously voted to deny the request of the City of Tustin for the waiver of late fees, and sustain the \$3,489.64 fee.

- B. Award of Contract to Performance Pipeline for Sectional Cured-In-Place Pipe ("CIPP") Repairs.

ACTION TAKEN:

The Board, on motion by BELL, seconded by DULEBON, unanimously voted to award a contract in the amount of \$67,200 to Performance Pipeline to complete the section of CIPP repairs and set a budget of \$100,000 for the total project.

C. Delegation of Authority to General Manager to Adjust Employee Salary Compensation within Established Salary Ranges – Resolution No. 814. Brief discussion on the appropriateness of granting the General Manager authority to adjust employee salaries, as necessary for retention purposes, within those ranges already approved by the Board.

ACTION TAKEN:

On motion by EVERETT, seconded by BELL, which carried unanimously, the Board adopted Resolution No. 814 entitled, “Resolution of the Board of Directors of the East Orange County Water District Delegating Authority to the General Manager to Adjust Employee Salaries Within Those Ranges Established by the Board.”

6. Financial Matters.

- A. Approval of schedules of disbursements.
- B. Report on investments/ratification of investment activity.
- C. Receipt and filing of financial statements (September 30, 2017).

ACTION TAKEN:

On motion by SEARS, seconded by DULEBOHN, 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.

7. Miscellaneous Matters.

A. Wholesale and Retail Water Usage Report. Ms. OHLUND noted that water usage increased in October, most likely as a result firefighting efforts related to the Canyon 2 Fire, including preventative efforts by homeowners.

ACTION TAKEN:

Upon motion by BELL, seconded by SEARS, 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.). Director SEARS reported attendance at Water Advisory Committee of Orange County (WACO) meetings of October 6, 2017, and November 3, 2017; State Lands Commission meeting of October 19, 2017; Tustin Community Fundraiser for Firefighters on October 23, 2017; the Balboa Bay Club on November 1, 2017; Municipal Water District of Orange County (“MWDOC”) meeting on November 2, 2017, and the Tustin Mayor Thanksgiving Breakfast on November 16, 2017. It was noted Directors BELL, DAVERT, DULEBOHN, and SEARS attended the Southern California Water Committee Annual Dinner on October 22, 2017. Director DAVERT reported attendance at an ISDOC Executive Committee meeting and the Quarterly luncheon, as well as the State Lands Commission

meeting on the Poseidon Project, MWDOC Elected Officials Night, and the Orange County Emergency Operations Committee meeting.

Director SEARS discussed that at the October WACO meeting, the State Water Project was discussed, including Lake Casitas and the San Luis Reservoir. At the November WACO Meeting, Kevin Hardy, the NWRI Executive Director, spoke relative to AB 574 (Potable Reuse).

C. Director's Comments. Director DAVERT commented on the great service from Kelly Hubbard, of WEROC/MWDOC, and Jerry Mendzer, in connection with the response to the Canyon 2 Fire. Director DAVERT also commented on his service as an alternate to Ms. Hubbard on the Emergency Action Committee, and his recommendation that the agency consider substituting in a professional, rather than elected official, alternate given the technical and critical nature of the role.

E. Regional/State Issues. John Lewis of Lewis Consulting Group made a presentation on various regional and State issues. Mr. Lewis commented on the status of current tax reform efforts, and various upcoming County races. Mr. Lewis attended LAFCO, where various issues were discussed, including an amendment to the Bylaws and an issue raised by Ms. OHLUND relative to a change that would have removed a required 5 day notice of staff reports to Board members. Staff insisted the change was a clerical mistake, and ultimately LAFCO adopted bylaws with an extended 7 day notice requirement. Mr. Lewis indicated LAFCO discussed the six regions, and grouping agencies in the MSR process, as well as the annexation for islands in La Habra (all under 150 acres, such that no vote was required).

Mr. Lewis also indicated the most recent USC /Dornsife Poll indicated that only 4 percent had water concerns as top concerns, while 22 percent indicated the High Cost of Living and Lack of Affordable Housing as the top concerns. Mr. Lewis also indicated that recent polls generally reflected dissatisfaction of elected officials of all parties.

Mr. Lewis discussed the Orange County Board of Supervisors Meeting, which included 3 hours of public comment relative to the lack of housing and need for publically subsidized housing. City of Irvine lawsuit against the County for land at the Great Park was also discussed. The Canyon 2 Fire was also a subject of discussion, including lessons learned.

Mr. Lewis indicated that the National Oceanic and Atmospheric Administration ("NOAA") has declared this year to be a mild La Nina. Director BELL indicated that a weak La Nina typically meant 75% of normal rainfall for Southern California, and 90% normal for Northern California, but that the most experts contend that climate change has changed all of the models, and thus it is impossible to predict the impacts of the weather pattern.

9. **Informational Items**

A. General interest publications: Ms. OHLUND discussed the issues of the Salton Sea, and that the water that will be used by the State, one way or another, to address the issue will have to come from somewhere. As such, this is an issue that will impact all water agencies as the water used to restore the Salton Sea will have to come from somewhere, and supplies are already limited. Ms. OHLUND also referenced pending State Water Resources Control Board (“SWRCB”) regulations that would require water districts to impose a \$500 fine on their customers for wasting water.

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

A. Conference with Legal Counsel – Anticipated Litigation - Initiation of Litigation, held pursuant to paragraph (4) of subdivision (d) of Government Code Section 54956.9: two potential cases;

B. Conference with Real Property Negotiations (Govt. Code § 54956.8)

PROPERTY: 9312 Jamboree Road/9764½ Handy Creek Road, Orange, CA
(Assessor Parcel No. 105-015-32)

AGENCY NEGOTIATOR: Lisa Ohlund; Deborah Fox, Meyers Nave

NEGOTIATING PARTY: New Cingular Wireless PCS, LLC, CCATT, LLC and
CCATT Holdings, LLC, and Crown Castle MU, LLC

UNDER NEGOTIATION: Price and terms of payment;

C. Conference with Legal Counsel – Potential Litigation – Initiation of Litigation, held pursuant to paragraph (4) of subdivision (d) of Government Code Section 54956.9 – one potential case;

D. Conference with Legal Counsel – existing litigation pursuant to paragraph (1) of subdivision (d) of Government Code Section 54956.9 – *Paul Nguyen v. East Orange County Water District*, Case No. 30-2017-00934730-CU-PT-CJC.

ACTION TAKEN:

The Board reported that no reportable action was taken in Closed Session.

9. Additional Operations, Management, and Construction Matters

A. Letter Agreements with CCATT, LLC and CCATT Holdings, LLC, and Crown Castle regarding payment of funds for leases at Peters Canyon Reservoir Site

ACTION TAKEN:

On motion by BELL, seconded by SEARS, the Board unanimously authorized the execution of the proposed letter agreements, in substantially the form presented, and directed staff to deposit the checks in the amounts of \$1,819.96, \$4,606.11, and \$61,364.79 into the applicable District accounts.

10. Adjournment.

ACTION TAKEN:

Upon a motion duly made, seconded and carried unanimously, the meeting was adjourned at 7:09 p.m., with the next regular meeting date and time being Thursday, January 18, 2017, 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,

Jeff Hoskinson