

MINUTES OF THE BOARD OF DIRECTORS OF SERRANO WATER DISTRICT

The Board of Directors of the Serrano Water District met in a regularly scheduled board meeting on Tuesday, July 16, 2019. The meeting was held at the District Office located at 18021 Lincoln Street, Villa Park, California.

CALL TO ORDER: President Pharris called the meeting to order at 8:31 a.m.

ROLL CALL:

BOARD OF DIRECTORS MEMBERS PRESENT:

C.L. "Larry" Pharris, Jr.	President
Greg Mills	Vice President
Jerry Haight	Board Member
Frank Bryant	Board Member
Brad Reese	Board Member

BOARD OF DIRECTORS MEMBERS ABSENT:

STAFF PRESENT:

Jerry Vilander	General Manager
Vittorio Roggero	Business Manager
Laura Heflin	Administrative Assistant
Jeremy Jungreis	Legal Counsel

GUESTS PRESENT:

James Fisler	<i>Mesa Water District</i>
Sandra Jacobs	<i>Santa Margarita Water District</i>
Robert Ooten	<i>Costa Mesa Sanitary District</i>
Paul Schoenberger	<i>Mesa Water District</i>
Doug Davert	<i>East Orange County Water District</i>
Dan Ferons	<i>Santa Margarita Water District</i>
Brett Babre	<i>Municipal Water District</i>

BOARD MINUTES

Consideration of Serrano Water District Board Meeting minutes of June 14, 2019. Director Mills moved that the minutes of the June 14, 2019 meeting be approved as submitted, Director Bryant seconded the motion, and the motion was unanimously carried with Directors Bryant, Mills, Haight, Reese and Pharris voting yes.

The following items were moved out of sequence due to time constraints.

ORANGE COUNTY LAFCO SPECIAL DISTRICT ELECTION REGULAR AND ALTERNATE SEATS

Jim Fisler of Mesa Water District introduced himself and remarked that he had been the Orange County LAFCO Commissioner for nine years. He also stated that he thought that he had been an effective voice for Districts.

Sandra Jacobs of Santa Margarita Water District asked for the Board of Directors' vote for the LAFCO Special District alternate seat. She stated that she does not support involuntary consolidation.

Bob Ooten of Costa Mesa Water District introduced himself and spoke on behalf of the Costa Mesa Sanitary District.

Paul Schoenberger, General Manager of Costa Mesa Water District spoke in support of Jim Fisler. He encouraged the Board of Directors to consider him for the LAFCO Regular Seat.

Doug Davert of East Orange County Water District spoke in support of Jim Fisler and his numerous accomplishments.

Dan Ferons, General Manager of Santa Margarita Water District spoke in support of Sandra Jacobs and the importance of bringing South County diversity to the LAFCO team.

Brett Babre of Municipal Water District of Orange County spoke in support of Jim Fisler for the Orange County LAFCO Regular Seat.

PUBLIC COMMENT

None.

GENERAL MANAGER REPORT

General Manager Vilander summarized the status of Board Committee and management matters as agendized for the month of June. Highlights included a review of various meetings attended. General Manager Vilander remarked that a response was due to the Orange County Grand Jury. As a result of this, a Special Board meeting was scheduled for Friday, 8/9 @ 8:30 a.m. It was then moved (Director Mills), seconded (Director Bryant), and unanimously carried with Director Mills, Haight, Pharris, Reese and Bryant voting yes to receive and file the report.

FINANCIAL REPORT

Business Manager Roggero presented the financials for the month of June and noted that they were in draft form due to the audit and final adjustments that were pending. It was moved (Director Mills), seconded (Director Reese), and unanimously carried with Directors Bryant, Reese, Pharris, Haight and Mills voting yes to approve the disbursements in the amount of \$633,613.99. Business Manager Roggero remarked that the audit has commenced and that revenue is down \$2.1M due to lower than expected domestic and City of Orange water sales. Director Haight enquired about medical expense being down \$42K as well as dues and subscriptions being inflated. Business Manager Roggero responded that he had separated out active and retiree medical and that some of the accounts have been realigned. President Pharris asked Business Manager Roggero to go back and review prior billing practices.

WATER REPORT

Following presentation by General Manager Vilander, it was moved (Director Mills), seconded (Director Reese), and unanimously carried with Directors Haight, Pharris, Reese, Bryant and Mills voting yes to receive and file the water report. It was noted that the Consumption/Production report would be changed to the Retail Consumption/Production report as it does not include the City of Orange. General Manager Vilander reported that he will schedule a Construction Committee meeting to review the recent Smith Reservoir inspection report.

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION 2019 BOARD ELECTION SEAT B

Following discussion, it was moved (Director Bryant), seconded (Director Haight), and unanimously carried with Directors Haight, Pharris, Reese, Bryant and Mills voting yes to authorize President Pharris to vote for candidate Greg Mills in the California Special Districts Association board election for seat B.

CORRESPONDENCE

Correspondence was reviewed as agendized.

DIRECTORS COMMENTS AND REPORTS

None.

ATTORNEY'S REPORT

Attorney Jungreis reported that, following discussions with General Manager Vilander, it would be prudent to place a standing item on the agenda to deal with the PFAS/PFOS issue. Additionally, the necessity of scheduling a SWD Recreation, Inc. meeting was discussed as well as the retention of the 501(c)(3) status.

It was announced that it was not necessary to enter into closed session.

RECESS TO CLOSED SESSION

*Conference with real property negotiators
(Government Code Section 54956.8)*

Property: Santiago Reservoir (Irvine Lake), adjacent to 4621 Santiago Canyon Road, Silverado Canyon, CA 92676.

Agency Negotiator: Jerry Vilander

Negotiating Parties: County of Orange

Under Negotiation: Price and terms

*Conference with real property negotiators
(Government Code Section 54956.8)*

Property: Storage Rights, Santiago Reservoir (Irvine Lake), adjacent to 4621 Santiago Canyon Road, Silverado Canyon, CA 92676.

Agency Negotiator: Jerry Vilander

Negotiating Parties: Irvine Ranch Water District

Under Negotiation: Price and terms

ADJOURNMENT

The meeting was formally adjourned at 10:15 a.m. The next regularly scheduled meeting will be held on Tuesday, August 20, 2019 @ 8:30 a.m. at the District office.

Laura Heflin, Administrative Assistant