

## **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 22, 2025. The meeting was held at the District Office located at 18021 Lincoln Street, Villa Park, California.

CALL TO ORDER: President Reese called the meeting to order at 8:30 a.m.

### ROLL CALL:

#### BOARD OF DIRECTORS MEMBERS PRESENT:

Brad Reese	President
Frank Bryant	Vice-President
Jerry Haight	Board Member
Greg Mills	Board Member
Robbie Pitts	Board Member

#### BOARD OF DIRECTORS MEMBERS ABSENT:

None

### STAFF PRESENT:

Jerry Vilander	General Manager
Jennifer Westrum	Administrative Assistant
Jeremy Jungreis	Legal Counsel
Scott Nelsen, CGFM	Starting Line Advisory ( <i>via zoom platform</i> )

### GUESTS PRESENT:

None

### PUBLIC COMMENT

None

### BOARD MINUTES

Consideration of Serrano Water District Board Meeting minutes for June 24, 2025. Director Mills noted that the District came in below budget and is no longer utilizing federal or state lobbyists. Director Mills moved that the minutes for the meeting on June 24, 2025 be approved as submitted. Director Pitts seconded the motion, and the motion was unanimously carried with Directors Reese, Bryant, and Haight, Mills and Pitts all voting yes.

### GENERAL MANAGER REPORT

General Manager Vilander provided an overview of Board Committee activities and management matters for the month of June. Key highlights included updates on various meetings and current issues affecting the District.

He noted that Well 5 is experiencing a slight sanding issue. The District will be sending some samples out for analysis to determine whether a sand separator would be an effective solution.

This assessment will help evaluate the cost-effectiveness of purchasing the equipment. In the interim, the District is experiencing increased consumption of pre-filters due to the issue.

The Transparency Committee provided a summary of their recent meeting, during which they analyzed various rate structures that are used in the industry. Further discussion ensued and the Committee indicated they would meet with Water Resources Economics, Inc. to prepare a presentation for the upcoming Water Rate Special Meeting that displays their findings. The Committee mentioned that a uniform rate structure is the fairest model for the rate payers. Water Resources Economics Inc. will be presenting their professional evaluation and recommendations on this subject. Some Directors expressed support for the uniform rate model, highlighting its fairness and simplicity in comparison to more complex structures such as budget-based which has tiered rates. Under the uniform rate structure, the more water you use the more you pay.

The Board concurred that the uniform rate structure will likely be the structure we utilize. However, Directors emphasized the importance of first identifying the operational and financial needs of the District to determine an appropriate water rate within the uniform framework. They also agreed that once we have the Rate Study Special Meeting and have input from the rate payers, that a cost-of-service study/rate study, and a possible revision to the proforma will need to be completed in order to be prepared for the July 2026 Prop 218 rate implementation.

### FINANCIAL REPORT

Scott Nelson presented the financial report for June, presenting preliminary figures for the fiscal year end. It was noted that the final numbers cannot be confirmed at this time, as some vendors are still in the process of submitting invoices for payment.

- Operating Revenue: Exceeded budget expectations primarily due to the reimbursement from IRWD.
- Operating Expenses: Came in well below budget due to reduced staffing levels as well as the transfer of the lake and treatment plant.

There will be finalized year-end reports once all outstanding invoices have been processed.

A motion to approve the monthly disbursements totaling \$ 502,337.98 was made by Director Mills, seconded by Director Pitts, and was unanimously approved by Directors Reese, Bryant, Haight, Mills and Pitts.

### WATER REPORT

General Manager Vilander presented the water report for the month of June. He reported that Serrano Water District has approximately 1,700 acre-feet of water remaining in Irvine Lake. The report was received and filed.

### ANNUAL STATEMENT OF EMPLOYEE REIMBURSEMENT

Financial Consultant Scott Nelsen reviewed the report of employee reimbursement for fiscal year end 2025, pursuant to AB 1542, which requires public disclosure of record keeping for Special Districts.

## CORRESPONDENCE

None

## DIRECTOR'S COMMENTS AND REPORTS

Director Mills advised the Board that Arlene Schafer will be retiring from the Board of Directors of the California Special Districts Association (CSDA). Two candidates, Saundra Jacobs and Al Nederhood will be running for the open Southern Network seat.

## ATTORNEY'S REPORT

Attorney Jungreis confirmed that the settlement with the City of Orange has been finalized. As part of the agreement, the Serrano Water District received a payment in the amount of \$ 210,483.90, and both parties signed a mutual release.

Under the terms of the settlement:

- Serrano Water District absorbed a loss of approximately \$65,000.
- The City of Orange incurred an estimated loss of \$140,000.

Following the resolution of this matter, water sales to the City of Orange have resumed.

*The Board of Directors announced they would be entering a closed session at 10:15 a.m.*

## RECESS TO CLOSED SESSION

A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Government Code § 54956.9(d)(1)): *Vittorio Roggero v. Serrano Water District*, Case No. 30-2025-01469424-CU-WT-CJC.

B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Government Code § 54956.9(d)(1))—*OCWD v. 3M Company et al.*

*The Board resumed their open session at 10:37 a.m. with no reportable items.*

## ADJOURNMENT

The meeting was formally adjourned at 10:38 a.m. The next regularly scheduled Board meeting will be held on August 19, 2025 @ 8:30 a.m.

Jennifer Westrum  
Administrative Assistant