

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, March 25, 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
Robbie Pitts	Board Member
Greg Mills	Board Member (<i>present at 8:34 a.m. via zoom platform</i>)

BOARD OF DIRECTORS MEMBERS ABSENT:

STAFF PRESENT:

Jerry Vilander	General Manager
Jennifer Westrum	Administrative Assistant
Jeremy Jungreis	Legal Counsel

GUESTS PRESENT:

Scott Nelson	Starting Line Advisory (<i>via zoom platform</i>)
Jonathan Foster	Davis Farr Certified Public Accountants (<i>via zoom platform</i>)

PUBLIC COMMENT

None

BOARD MINUTES

Consideration of Serrano Water District Board Meeting minutes for February 25, 2025 and March 11, 2025. Director Pitts moved that the minutes for both meetings be approved as submitted, Director Haight seconded the motion, and the motion was unanimously carried with Directors Reese, Bryant, Pitts, and Haight voting yes.

GENERAL MANAGER REPORT

General Manager Vilander summarized the status of Board Committee and management matters as agendized for the month of February. Director Haight asked if it would be possible to add a recap to the customer’s online accounts to show them their water usage in units over the previous 13 months. The General Manager said we will follow up on that request with our software billing company.

Greg Mills joined the Board meeting remotely via zoom platform at 8:34 am.

DAVIS FARR CERTIFIED PUBLIC ACCOUNTANTS AUDIT FYE 6/30/2024

Following presentation of the audit by Jonathan Foster, it was moved by Director Haight, seconded by

Director Pitts and unanimously carried with Directors Haight, Pitts, Bryant, Reese and Mills all voting yes to adopt the District's audit for FYE 6/30/2024. Staff will implement some changes based on the recommendations in the audit. The Board of Directors complimented the General Manager, current staff, and Scott Nelsen on their hard work on the audit.

FINANCIAL REPORT

Scott Nelson presented the financials for the month of February, noting that we our net operating income is right on budget at just below 67%. The salary and benefits are trending below budget due to staffing changes. Scott Nelson also mentioned that the Santiago Dam was removed from the reports since it was skewing the results, and we no longer have an interest in it. General Manager Vilander commented that he will hold a Construction Committee meeting to go over the costs associated with our two construction projects and then those amounts can be added to the financial reports. Director Mills complimented Scott on his thorough review of the financial statements, including the line numbers. This is the best they have ever looked. It was moved by Director Mills, seconded by Director Haight, and unanimously carried with Directors Bryant, Reese, Pitts, Haight and Mills voting yes to approve the disbursements in the amount of \$104,740.09.

WATER REPORT

General Manager Vilander presented the water report for the month of February. He estimated between 2,100-2,300 acre-feet of water remaining in Irvine Lake. Director Haight asked how long that will last us. General Manager Vilander estimated it to last approximately 10-12 months if everything stays consistent. The report was received and filed.

RESOLUTION NO. 2025-03-02 A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SERRANO WATER DISTRICT REVIEWING, AMENDING AND RESTATING THE DISTRICT'S STATEMENT OF INVESTMENT POLICY

Changes in the investment policy were discussed including the removal of the Orange County Treasury Investment (which was dissolved) and the addition of the Investment Pool section of the policy that will allow the district to invest in CAMP or CLASS investment pools in the future, as well as designating the General Manager as the Chief Fiscal Officer of the district. It was moved by Director Haight and seconded by Director Mills and approved unanimously with Directors Reese, Bryant, Pitts, Mills and Haight all voting yes to adopt Resolution No. 2025-03-02.

RESOLUTION NO. 2025-03-03 A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SERRANO WATER DISTRICT TO AUTHORIZE JOINING WITH OTHER PUBLIC AGENCIES AS A PARTICIPANT OF THE CALIFORNIA ASSET MANAGEMENT TRUST AND TO INVEST IN SHARES OF THE TRUST AND IN INDIVIDUAL PORTFOLIOS.

A discussion ensued regarding the benefits of moving some district cash into a new CAMP investment pool including a higher rate of return. The directors agreed to open the new investment, and they talked about the amount of money to move into the CAMP investment pool. Scott Nelsen from Starting Line Advisory recommended putting a maximum of 55% of the district funds in the pool instead of the 65% allowable so that it stays in compliance with our Investment Policy once interest accrues in the account. The directors liked that recommendation, so they agreed to move \$ 4.8 million into the CAMP Investment Pool and add an additional \$ 300,000 to LAIF account to increase the balance in that fund to \$ 3 million. It was moved by Director Reese, seconded by Director Pitts and carried unanimously with Directors Mills, Bryant, Haight, Reese and Pitts voting yest to adopt Resolution No. 2025-03-03.

CORRESPONDENCE

None

DIRECTOR’S COMMENTS AND REPORTS

Director Pitts mentioned that we need a communication plan to go out to the ratepayers that will let them know we are not raising the water rates in July. General Manager Vilander said he will hold a Transparency Committee meeting first to determine the communication method and the best time to communicate this information.

ATTORNEY’S REPORT

General Counsel Jungreis will review his items in closed session.

The Board of Directors announced that they would be entering closed session at 9:35 a.m.

RECESS TO CLOSED SESSION

A. CONFERENCE WITH LEGAL COUNSEL – POTENTIAL EXPOSURE TO LITIGATION (Government Code § 54956.9(d)): One case.

B. CONFERENCE WITH LEGAL COUNSEL TO DISCUSS SECURITY ISSUES AND POSSIBLE INITIATION OF LITIGATION (Government Code §§ Government Code 54956.9(d); 54957 (a)(1)).

The meeting was reconvened in open session at 10:24 a.m., and it was announced that there was no reportable action.

ADJOURNMENT

The meeting was formally adjourned at 10:25 a.m. The next regularly scheduled Board meeting will be held on April 22, 2025 @ 8:30 a.m.

Jennifer Westrum
Administrative Assistant