

MINUTES OF THE BOARD OF DIRECTORS OF SERRANO WATER DISTRICT

The Board of Directors of the Serrano Water District met in a Special Board meeting on Tuesday, December 16, 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 8:32 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
Ian Berg, CPA	Starting Line Advisory

GUESTS PRESENT:

Jonathan Foster	CPA, Davis Farr LLP
Noah Green	member of the public (<i>via zoom platform</i>)

PUBLIC COMMENT

None

DAVIS FARR LLP CERTIFIED PUBLIC ACCOUNTANTS AUDIT FYE JUNE 30, 2025

Jonathan Foster, CPA reviewed the final audit for the fiscal year ended June 30, 2025. He reported that Serrano Water District received an unmodified opinion from Davis Farr LLP, which is the highest level of assurance that can be issued.

It was moved by Director Mills, seconded by Director Pitts, and unanimously carried with Directors Haight, Bryant, Reese, Mills and Pitts all voting yes to adopt the District's audit for fiscal year ended June 30, 2025.

BOARD MINUTES

Consideration of Board Meeting Minutes for November 18, 2025 The Board reviewed the minutes of the Serrano Water District special Board meeting held on November 18, 2025. Director Reese made a motion to approve the meeting minutes as presented. Director Mills

seconded the motion, and it was unanimously carried with Directors Haight, Bryant, Pitts, Reese, and Mills voting in favor.

ANNUAL BOARD REORGANIZATION

Following some discussion, a motion was made by Director Haight, seconded by Director Reese to nominate Director Greg Mills to the position of President of the Board of Directors and Director Robbie Pitts to the position of Vice President of the Board. The motion passed unanimously with Directors Bryant, Mills, Pitts, Haight, and Reese all voting yes.

It was moved by Director Reese and seconded by Director Pitts to have General Manager Vilander remain the Secretary and Treasurer of the Board of Directors. The motion carried with Directors Bryant, Mills, Haight, Reese, and Pitts all voting in favor.

It was further moved by Director Pitts and seconded by Director Reese that Attorney Jeremy Jungreis be appointed to the positions of Assistant Secretary and Assistant Treasurer of the Board of Directors. The motion was unanimously approved with Directors Haight, Bryant, Mills, Pitts, and Reese all voting yes.

GENERAL MANAGER REPORT

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

Mr. Vilander informed the Board that three mainline water leaks occurred over the past month. He noted that the majority of the work was able to be done during normal operating hours.

General Manager Vilander advised the Board that an assessment of the District's IT system will be conducted utilizing the assistance of the Cybersecurity and Infrastructure Security Agency (CISA).

FINANCIAL REPORT

Ian Berg, CPA and Partner at Starting Line Advisory, presented the financial reports for November, noting that the target for this point in the fiscal year is 42% of the budget. He reported that revenues are trending ahead of schedule due to some water sales to the City of Orange that were not included in the original budget. Total operating expenses are currently below target at 37.1%.

A motion to approve the monthly disbursements totaling \$ 318,006.80 was made by Director Haight, seconded by Director Pitts, and unanimously approved by Directors Reese, Bryant, Mills, Haight, and Pitts.

WATER REPORT

General Manager Vilander presented the water report for the month of November. He reported that Serrano Water District has approximately 800 acre-feet of water remaining in Irvine Lake. The report was received and filed by the Board.

RATE STUDY UPDATE

General Manager Vilander stated that he continues to coordinate with Sanjay Gaur and Water Resources Economics regarding the Water Rate Study.

WELL 5 VARIABLE FREQUENCY DRIVE (VFD) EMERGENCY REPLACEMENT

General Manager Vilander explained that Well 5 was scheduled for routine flushing when it failed to start and began making an unusual noise. After troubleshooting, it was determined the issue was electrical and related to the Variable Frequency Drive (VFD). General Manager Vilander obtained two bids for the replacement of the VFD, with Hunter Electric submitting the most competitive bid. Following discussion with the Finance Committee, the General Manager was authorized to issue a PO to Hunter Electric. The General Manager explained that there would be up to a six-week lead time for the equipment.

It was moved by Director Reese and seconded by Director Haight to approve the emergency purchase of the Variable Frequency Drive (VFD) for Well 5 not to exceed \$100,000. The motion passed unanimously with Directors Mills, Pitts, Bryant, Reese, and Haight all voting in favor.

CORRESPONDENCE

General Manager Vilander announced that the District received three certificates of distinction from the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA). Serrano Water District was given the "President's Special Recognition Award" for having loss ratios of 20% or less in Liability, Property and Worker's Compensation. The Board directed staff to post these awards on the District's website.

DIRECTOR'S COMMENTS AND REPORTS

Director Pitts asked whether the Board would be interested in assisting the Villa Park Foundation by including its annual event flyer with one of the District's monthly water bills. Following discussion, the Board agreed to assist, with the understanding that any labor or other costs incurred by the District would be reimbursed. The Board also directed staff to research mail-house and lockbox firms that provide direct mailing of water bills as a potential alternative to the current bill folding and stuffing process and to return to a future Board meeting with pricing options for consideration.

ATTORNEY'S REPORT

Attorney Jeremy Jungreis gave a PowerPoint presentation to the Board on recent changes to two pieces of legislation, SB707 and SB827, and discussed how these changes will affect Serrano Water District (SWD).

SB707: An amendment to the Ralph M. Brown Act that introduces several changes to public meeting requirements. All Special Districts, regardless of size, must comply with the new provisions effective on January 1, 2026. One of the primary changes allows directors to participate remotely in meetings for "just cause" reasons, as defined in the amendment, without prior coordination or posting remote location on the agenda, up to two times per year. The legislation also introduces new requirements related to the reporting of executive compensation.

SB827: Establishes new training requirements for SWD Directors, Executives, and Department Heads. Beginning January 1, 2028, covered individuals will be required to complete two hours of fiscal training every two years. This is in addition to the existing AB1234 ethics training and harassment prevention training requirements.

The Board of Directors announced they would be entering a closed session at 10:40 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. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
(Govt. Code section 54957), Performance evaluation of General Manager.

The Board resumed open session at 11:32 a.m. with no reportable action.

ADJOURNMENT

The meeting was formally adjourned at 11:33 a.m. The next meeting will be a regularly scheduled Board meeting to be held on January 27, 2026 @ 8:30 a.m.

Jennifer Westrum
Administrative Assistant