

MINUTES OF THE BOARD OF DIRECTORS OF SERRANO WATER DISTRICT

The Board of Directors of the Serrano Water District met (via teleconference and in person) in a regular board meeting on Tuesday, June 15, 2021. The meeting was held at the District Office located at 18021 Lincoln Street, Villa Park, California.

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

ROLL CALL:

BOARD OF DIRECTORS MEMBERS PRESENT:

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

GUESTS PRESENT:

Roy Herndon	<i>Resident, City of Villa Park</i>
Tracy Maniaci	<i>Resident, City of Villa Park</i>

PUBLIC COMMENT

None.

PUBLIC HEARING ON PROPOSAL TO INCREASE AND ADJUST SERRANO WATER DISTRICT'S WATER RATES BETWEEN 2021 AND 2026 PER PROPOSITION 218

General Manager Vilander reviewed the staff report, exhibits and attachments as well as additional materials with the Board of Directors. The public hearing was then officially opened on the proposed water rate increase. Tracy Maniaci asked if the District would be proposing tiered rates. General Manager Vilander responded that the District will not have tiered rates. Tracy thanked the Board of Directors.

Consideration and tabulation of all written protests received at the District were reviewed and considered before the close of the public hearing (1). Following discussion and insufficient written protests, it was moved (Director Pharris), seconded (Director Bryant), and unanimously carried with Directors Reese, Bryant, Mills, Haight and Pharris voting yes to adopt Resolution 2021-06-01 approving (1) increases to SWD's Readiness to Serve/Fixed Meter Charge and Commodity/Volumetric Charge between 2021 and 2026; (2) annual adjustments of SWD rates between 2021 and 2026 to pass through wholesale water cost increases (imported water and groundwater replenishment) imposed on the District by the District's

wholesale water suppliers (MWDOC and OCWD) between 2021 and 2026; (3) annual adjustments of SWD rates for inflation between 2021 and 2026 per the CPI in the Los Angeles Region; and (4) authorize SWD staff to make mandatory demand reduction rate adjustments under circumstances specified in the Resolution.

2020 WATER SHORTAGE CONTINGENCY PLAN

The public hearing was opened and General Manager Vilander and consultant (Karen Johnson) gave presentations on the 2020 Water Shortage Contingency Plan. There was no public testimony received. The hearing was then closed. Following discussion, it was moved (Director Reese), seconded (Director Haight), and unanimously carried to adopt Resolution No. 2021-06-03 adopting the 2020 Water Shortage Contingency Plan as presented.

2020 WHOLESALE URBAN WATER MANAGEMENT PLAN

The public hearing was opened and General Manager Vilander and consultant (Karen Johnson) gave presentations on the 2020 Wholesale Urban Water Management Plan. There was no public testimony received. The hearing was then closed. Following discussion, it was moved (Director Pharris), seconded (Director Haight), and unanimously carried to adopt Resolution No. 2021-06-02 adopting the 2020 Wholesale Urban Water Management Plan as modified (to include retail) as recommended by legal counsel and suggestions by Consultant Johnson.

ADDENDUM TO THE 2015 URBAN WATER MANAGEMENT PLAN

Following discussion led by General Manager Vilander, it was moved (Director Haight), seconded (Director Bryant), and unanimously carried to adopt Resolution No. 2021-06-04 Reduced Delta Reliance Addendum to the Serrano Water District 2015 Urban Water Management Plan as presented.

BOARD MINUTES

Consideration of Serrano Water District Board Meeting minutes of May 18, 2021. Director Bryant moved that the minutes of the May 18, 2021 meeting be approved as submitted, Director Haight seconded the motion, and the motion was unanimously carried with Directors Bryant, Mills, Reese, Haight and Pharris voting yes.

GENERAL MANAGER REPORT

General Manager Vilander summarized the status of Board Committee and management matters as agendaized for the month of May. Highlights included a review of various meetings attended and current issues including the potential retention of a lobbyist, accessory dwelling units, and PFAS. The report was received and filed.

FINANCIAL REPORT

Business Manager Roggero presented the financials for the month of May. It was moved (Director Reese), seconded (Director Pharris), and unanimously carried with Directors Bryant, Reese, Pharris, Haight and Mills voting yes to approve the disbursements in the amount of \$217,110.21.

WATER REPORT

General Manager presented the water report for the month of May. Water purchases were discussed. The report was received and filed.

PFAS PROGRESS REPORT

General Manager Vilander provided a status report on the PFAS project.

IRVINE LAKE AGREEMENTS

Attorney Jungreis presented the Second Amendment to Irvine Lake Access and Use License to extend the fishing pilot program at Irvine Lake. Following discussion, it was moved (Director Haight), seconded (Director Reese), and unanimously carried with Directors Reese, Mills, Pharris, Haight and Bryant voting

yes to approve Amendment 2 to Irvine Lake Access and Use License to extend the fishing pilot program at Irvine Lake. Discussion then revolved around progress with the County of Orange to develop a Master Lease and Letter of Intent regarding deal points for future recreation at Irvine Lake. Attorney Jungreis reported that he had met with legal counsel from The Irvine Company, County of Orange and IRWD regarding elimination of the reversionary rights. A follow-up meeting is scheduled for later this week.

ANNUAL STATEMENT OF EMPLOYEE REIMBURSEMENT

Business Manager Roggero presented the Annual Statement of Employee Reimbursement.

CORRESPONDENCE

None.

DIRECTORS COMMENTS AND REPORTS

Director Bryant discussed the City of Orange's PFAS water treatment plant.

ATTORNEY'S REPORT

Attorney Jungreis gave an in-depth review of current masking and social distancing requirements as it relates to in-person meetings in the future. President Mills thanked Attorney Jungreis for the update. Attorney Jungreis discussed a potential trailer bill offering funds (\$700M) that may come available to water districts for Dams that are rated as high hazard in need of significant repair. General Manager Vilander contacted Assembly Members to request their support of this bill. Attorney Jungreis also reported that there may be funds available from the State to reimburse water districts for unpaid water bills.

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 10:00 a.m. The next regularly scheduled meeting will be held on Tuesday, July 20, 2021 @ 8:30 a.m. at the District office.

Laura Heflin, Administrative Assistant