

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, November 26, 2024. 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
Greg Mills	Board Member
Jerry Haight	Board Member
Mike Pelly	Board Member

BOARD OF DIRECTORS MEMBERS ABSENT:

STAFF PRESENT:

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

GUESTS PRESENT:

Arjun Mehta	Villa Park Resident
Lawrence Talebi	Villa Park Resident

PUBLIC COMMENT

Arjun Mehta commented that he would like this meeting postponed during evening hours and stated that it needs to be announced to the public. The Board replied that all Board meetings are available remotely with zoom, but Mr. Mehta stated that it is hard to zoom a meeting while at work. Mr. Mehta had more comments relating to Irvine Ranch Water District taking over our share of Irvine Lake. The Directors explained that we own 25% of the watershed only and that the dam spillway is severely damaged, and the repairs are now estimated at \$470 million. Serrano Water District's portion of that liability is about \$117 million. The Board looked at all the options available and President Reese told Mr. Mehta that everyone on the Board wanted to keep the lake, but they had to do what was best for the ratepayers.

Mr. Mehta stated that the per unit water rate is not listed on the monthly bills, and he would like to see that printed on the statements. General Manager Vilander said that he would make sure to have that done on future billings.

Lawrence Talebi commented that he appreciates the Board's time. He said that Director Pelly talked to him in depth about what is going on at the district. He said he likes to be informed, so he can make educated decisions.

BOARD MINUTES

Consideration of Serrano Water District Board Meeting minutes of the Board meetings on October 22, 2024 and November 12, 2024. Director Pelly moved that the minutes of the October 22, 2024 meeting be approved with a correction that the estimated cost of the dam repairs are now at \$470 million. Director Mills seconded the motion, and the motion was unanimously carried with Directors Bryant, Haight, Mills, Pelly, and Reese voting yes. Director Pelly moved that the minutes of the November 12, 2024 meeting be approved as submitted. Director Haight seconded the motion, and the motion was unanimously carried with Directors Reese, Bryant, Mills, Haight, and Pelly all voting yes.

GENERAL MANAGER REPORT

General Manager Vilander summarized the status of the Board Committees and management matters as agendaized for the month of October. He also announced that Jeremy Scott was officially offered the job at Irvine Ranch Water District. He would also like to have a proclamation for Mike Mastin before he retires to acknowledge his over 35 years of service at the Serrano Water District. The staff and Board members will have a holiday bowling party on December 12, and the annual Villa Park Boat Parade will be held on Sunday, December 15.

General Manager Vilander mentioned that the Metropolitan Water District will be offering a Reverse Cyclic Program where we can pre-pay for water and lock it in at the price we purchased it for. We can make a decision around the first of the year if we want to participate in that and how much water we should purchase. We could always sell the water back at a higher price than what we initially paid for it.

FINANCIAL REPORT

Scott Nelson, Eide Bailly, reviewed the financial statements for the month of October. It was moved by Director Haight, seconded Director Bryant, and unanimously carried with Directors Bryant, Reese, Pelly, Haight, and Mills voting yes to approve the disbursements in the amount of \$ 295,423.63.

WATER REPORT

The General Manager presented the water report for the month of October. The report was received and filed.

OPEB TRUST

The OPEB Trust would help fund retiree healthcare. We are currently carrying a \$1.7 million liability on the books for the 7 retired employees plus their spouses that qualified for lifetime medical insurance. Right now, we are paying for the expense on a pay as you go basis. Scott Nelson recommends opening the OPEB trust with a \$200,000 initial deposit and contributing \$100,000 per year to it until it is approximately 80% funded. At that point, the interest would continue to fund the account. The Board liked that idea and there will be an OPEB Trust Resolution drawn up for the Board to review at a future Board meeting.

CORRESPONDENCE

None

DIRECTORS COMMENTS AND REPORTS

Director Mills thanked Mike Pelly for his service on the Board of the Serrano Water District. All the directors concurred. Director Bryant thanked the Board Members, General Manager and SWD staff for attending his wife Patti's Memorial Service.

The Board of Directors announced that they would be entering into closed session at 10:20 a.m.

RECESS TO CLOSED SESSION

A. CONFERENCE WITH LEGAL COUNSEL – POTENTIAL EXPOSURE TO LITIGATION (Government Code § 54956.9(d)): Two potential cases.

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

C. CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Government Code Section 54956.8)

Property: Storage Rights and other District Real Property at 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

The meeting was reconvened in open session at 10:43 a.m., with no reportable action.

ADJOURNMENT

The meeting was formally adjourned at 10:44 a.m. The next regularly scheduled meeting will be held on Tuesday, December 17, 2024 at 9:00 a.m.

Jennifer Westrum
Administrative Assistant