

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, September 23, 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 8:31 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 Board Meeting Minutes for August 18 and 19, 2025. The Board reviewed the minutes for the Serrano Water District meetings held on August 18 and August 19, 2025.

Director Haight requested that *Rate Workshop #2* be added to the minutes of the Special Board Meeting held on August 18, 2025. Additionally, Director Haight suggested that future Workshop or Townhall meetings be announced through five different methods to ensure greater public awareness. These methods include:

1. Posting on the Serrano Water District website
2. Posting on the City of Villa Park website
3. Including in the Villa Park Feeder
4. Printing notices on the monthly water bills
5. Exploring the possibility of posting on the City of Villa Park's official Facebook page

Director Mills made a motion to approve the meeting minutes for both August 18 and August 19, 2025, incorporating the noted amendment. It was seconded by Director Haight, and unanimously carried with Directors Reese, Bryant, Pitts, Haight, and Mills voting in favor.

GENERAL MANAGER REPORT

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

Mr. Vilander informed the Board that a quote from Water Resources Economics for a water rate study had been received on the previous day. Mr. Vilander will work with Sanjay under his signature authority for any services performed prior to the October 28th Board meeting and will seek Board approval at that meeting to proceed with the remainder of the rate study contract.

In addition, General Manager Vilander discussed the upcoming holiday schedule and proposed adjustments to the regularly scheduled Board meeting dates in November and December.

The Board agreed to the following changes:

- The November Board meeting will be moved from November 25 to November 18, to avoid conflict with the Thanksgiving holiday.
- The December Board meeting will be moved from December 23 to December 16, to avoid conflict with the Christmas holiday.

FINANCIAL REPORT

Scott Nelson presented the financial report for August, marking the second month of the new fiscal year. He reported that revenue is currently above target, primarily due to increased water consumption during the summer months. However, this higher demand has also led to an increase in source water operating expenses, as more groundwater is being utilized to meet customer needs.

Director Haight commended Scott for his excellent work, noting that the quality of the financial reporting and formatting has never been better during his tenure. The Board members all concurred.

A motion to approve the monthly disbursements totaling \$210,650.71 was made by Director Mills, 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 August. He reported that Serrano Water District has approximately 1,175 acre-feet of water remaining in Irvine Lake. It was noted that some evaporation loss is expected. The report was received and filed by the Board.

RESOLUTION NO. 2025-09-01 OF THE BOARD OF DIRECTORS OF THE SERRANO WATER DISTRICT RECOGNIZING THE HONORABLE BOARD OF DIRECTORS, GENERAL MANAGER JOHN KENNEDY, FORMER GENERAL MANAGER MIKE MARKUS AND THE STAFF OF THE ORANGE COUNTY WATER DISTRICT FOR THEIR RESPONSIVE LEADERSHIP IN PFAS TREATMENT IN ORANGE COUNTY AND EXPRESSING APPRECIATION FOR THE NEW WELL LOAN PROGRAM.

The Board of Directors reviewed the Resolution prepared to express appreciation to the Orange County Water District for their responsive leadership in PFAS treatment in Orange County and for the establishment of the new Well Loan Program. President Reese made a motion to approve the Resolution as presented. Director Mills seconded the motion. The motion was unanimously carried with Directors Bryant, Pitts, Haight, Mills and Reese voting in favor.

RESOLUTION NO. 2025-09-02 OF THE BOARD OF DIRECTORS OF SERRANO WATER DISTRICT ESTABLISHING CERTAIN RESERVE GOALS AND ALLOCATING DISTRICT FUNDS TO DESIGNATED RESERVE ACCOUNTS. THIS RESOLUTION REPLACES PREVIOUS RESOLUTION NO. 2024-04-04.

Scott Nelsen reviewed the proposed changes to the reserve policy. The updates will bring Serrano Water District in line with other agencies. It removes old, outdated language and changes the oversight from Business Manager to the General Manager.

Some other key modifications to the policy are that the operating reserve changes from a 12-month figure to 6-month targets. This ensures liquidity for routine operations in the event of unexpected expenses. In addition, it establishes an emergency fund for repairs following catastrophic events like earthquakes, wildfires, or major system failures. The target reserve for this is \$1,500,000. Also, the capital project reserve goals change to better align with the district's long-term capital needs.

After some discussion, Director Mills moved to approve Resolution No. 2025-09-02, and Director Haight seconded the motion. The motion passed unanimously with Directors Bryant, Pitts, Reese, Haight and Mills all voting yes.

CORRESPONDENCE

None

DIRECTOR'S COMMENTS AND REPORTS

Director Mills commented that he attended an excellent Orange County Water Summit event with Director Haight. It was highly informative, and he especially enjoyed the presentation given by speaker Curt Schmutte.

Director Pitts reported that he and Director Bryant attended an educational Emergency Preparedness Seminar at the Villa Park City Hall. He further noted that a second meeting on Emergency Preparedness is scheduled for Wednesday, October 15th, at the same location.

ATTORNEY'S REPORT

Attorney Jungreis announced that SB707 was recently passed by the legislature and will be presented to the governor for signature. If approved, this bill will be an Amendment to the Brown Act. It imposes a lot of new burdens on cities, but it will not have much impact on special districts.

The Board of Directors announced they would be entering a closed session at 9:50 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 open session at 9:57 a.m. with no reportable action.

ADJOURNMENT

The meeting was formally adjourned at 9:58 a.m. The next regularly scheduled Board meeting will be held on October 28, 2025 @ 8:30 a.m.

Jennifer Westrum
Administrative Assistant