

## **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, January 28, 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
Greg Mills	Board Member
Jerry Haight	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

### GUESTS PRESENT:

Robert Frackelton	Villa Park Councilman ( <i>via zoom platform</i> )
Scott Nelson	Starting Line Advisory ( <i>via zoom platform</i> )
Sanjay Guar	Water Resources Economics ( <i>via zoom platform</i> )
Charles Diamond	Water Resources Economics ( <i>via zoom platform</i> )

### PUBLIC COMMENT

Villa Park Councilman, Robert Frackelton commented that almost every house in Villa Park has a pool and it would be nice if fire fighters could use sump pumps.

### ANNUAL BOARD REORGANIZATION COMMITTEE ASSIGNMENTS

The Board of Directors reviewed the current Ad-Hoc Committee assignments and made some changes to the Ad-Hoc Committees including having Robbie Pitts take over the designations that the previous Division 2 Director had on those committees.

### BOARD MINUTES

Consideration of Serrano Water District Board Meeting minutes for December 17, 2024. Director Mills moved that the minutes of the December 17, 2024 meeting be approved as submitted, Director Haight seconded the motion, and the motion was unanimously carried with Directors Bryant, Mills, Pitts, Haight, and Reese voting yes.

## GENERAL MANAGER REPORT

General Manager Vilander summarized the status of Board Committee and management matters as agendaized for the month of December. General Manager Vilander reported that we had various power outages as a result of SCE taking precautions and turning off the power due to the high winds. The power was out for a total of five days over a week and a half at Smith Reservoir Pump Station. The generator was running constantly for the first three days and had a mechanical issue on day three. As a precaution and as a secondary level of backup water supply storage, the Lockett tank is kept full during certain predicted high-risk events. Within eight hours SWD had a backup generator delivered. There has been a lot of talk in the community about the recent wildfires in the Los Angeles area and the lack of water in the hydrants there. It was noted by General Manager Vilander that SWD water system exceeds the requirement for residential/commercial fire flow capabilities and our most recent Master Plan Update qualifies that statement. President Reese and General Manager Vilander are going to attend the City Council meeting tonight to discuss preparations that Serrano Water District is taking and how fire hydrants are used.

General Manager Vilander also explained that the office was out of power for approximately ½ hour and that Hunter Electric is developing a plan and bid for emergency connections at Well 5, 3 and the office for backup power generator options although we have very solid water supply back up during power outages and disasters. Also mentioned is that the position for Operator 1 is open until it is filled. The first round of interviews will occur next week and at this time we have seven applicants with three potential interviews scheduled with viable candidates. Mr. Vilander mentioned that there was a huge wave of retirements last year and this coming year among many agencies.

## FINANCIAL REPORT

Scott Nelson presented the financials for the month of December, noting that we are slightly ahead of the budget. It was moved by Director Pitts, seconded by Director Reese, and unanimously carried with Directors Bryant, Reese, Pitts, Haight and Mills voting yes to approve the disbursements in the amount of \$285,626.07. General Manager Vilander commented that he will be moving \$1.5 million from the savings account at Farmers & Merchants Bank to the LAIF account to get a better rate of return.

## WATER REPORT

General Manager Vilander presented the water report for the month of December. The agreement with IRWD ensured that the SWD share of the 2,500-acre feet in storage was transferred to SWD on January 15<sup>th</sup> 2025. The report was received and filed.

## IRVINE LAKE TRANSFER

General Counsel Jeremy Jungreis summarized the events leading up to the transfer of Irvine Lake to Irvine Ranch Water District. The lake went from being manageable to unmanageable with the enormous cost to repair the dam spillway jumping an estimated \$470 million with Serrano Water District's portion estimated at about \$120 million. Part of the transfer included a back-up source of supply water as well as removing the liability of the lake with the transfer of the SWD 25% ownership rights to IRWD. This transfer was completed on January 15, 2025.

## CORRESPONDENCE

None

*General Counsel Jungreis stated that Jerry received some information after the Agenda was posted, so we need to add an urgency item to the Agenda. It was moved by Director Mills and seconded by Director Reese to add the urgency item presentation from Water Resources Economics.*

#### PRESENTATION (Urgency Item)

A presentation was given by Sanjay Guar and Charles Diamond from Water Resources Economics. It highlighted study objectives, background, pricing, and a question-and-answer period. The Board of Directors and General Manager Vilander thanked Water Resources Economics for their informative presentation.

#### DIRECTORS' COMMENTS AND REPORTS

Director Mills commented on the layout of the financial reports and complimented Scott on reviewing the line items by number making it easy to follow along. Director Haight mentioned that he does not want to raise water rates. All Directors agreed that the final Proposition 218 pass-through rate increase cannot be implemented until a budget meeting is done and district costs are re-evaluated now that the transfer of the lake is complete. It was requested that a special Board meeting occur before the next regular Board meeting so that a more focused discussion (Strategic Planning Session) could take place to discuss projects, budget direction/forecasting, level of lobbyist support and more specifically a thorough rate evaluation.

#### ATTORNEY'S REPORT

General Counsel Jungreis mentioned that he will spend some time at the regular Board meeting next month to go over the Form 700s with the Directors before the due date of April 1, 2025.

*The Board of Directors announced that they would be entering closed session at 11:31 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 12:07 p.m., and it was announced that there was no reportable action.*

#### ADJOURNMENT

The meeting was formally adjourned at 12:08 p.m. The next regularly scheduled Board meeting will be held on February 25, 2025 @ 8:30 a.m.

Jennifer Westrum  
Administrative Assistant