

## MINUTES OF THE BOARD OF DIRECTORS OF SERRANO WATER DISTRICT

The Board of Directors of the Serrano Water District met (via teleconference) in a regular board meeting on Tuesday, October 20, 2020. The meeting was held at the District Office located at 18021 Lincoln Street, Villa Park, California.

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

### ROLL CALL:

#### BOARD OF DIRECTORS MEMBERS PRESENT:

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

#### GUESTS PRESENT:

Kassie Radermacher	Auditor, White Nelson Diehl Evans LLP
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### PUBLIC COMMENT

Director Haight asked Director Mills about the delay in receiving *The Foothill Sentry*. Director Mills responded that he believes that it is related to the delay in mail in general due to the impending election.

### WHITE NELSON DIEHL EVANS AUDIT FYE 2019/2020

Nitin Patel presented the audit for the District for fiscal year ending 2019/2020. Highlights of the audit was reviewed and recommendations for the future were made. Director Haight requested that the purchase order policy be reviewed at the November Board meeting and that the Finance Committee review this prior. Additionally, he complimented Business Manager Roggero and General Manager Vilander on a very clean audit. Following discussion, it was moved (Director Haight), seconded (Director Mills), and unanimously carried with Directors Haight, Pharris, Reese, Mills and Bryant voting yes to approve the audit as presented. Ms. Radermacher was thanked for her informative presentation and doing a great job on the audit.

### BOARD MINUTES

Consideration of Serrano Water District Board Meeting minutes of September 15, 2020. Director Mills moved that the minutes of the September 15, 2020 meeting be approved as submitted, Director Reese 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 agendized for the month of September. Highlights included a review of various meetings attended and current issues. Attorney Jungreis is currently doing research on accessory dwelling units and related items and requirements. SCE and the gas meter do require separate units and a second address. Staff is still working with SCE on potentially reducing the electricity charge relating to the wells. It does appear preliminarily that this may be a fixed charge. General Manager is working with Hunter Electric regarding the purchase of a generator to potentially work around this issue.

### FINANCIAL REPORT

Business Manager Roggero presented the financials for the month of September. White Nelson Diehl Evans will be merging with CliftonLarsonAllen, a national firm. It was agreed that the ABC License for SWD Recreation, Inc. will be renewed for one more year in the amount of \$905. Business Manager Roggero announced that he will be transferring funds to the Orange County Treasurer. Following discussion, it was agreed that the appropriate policies will be altered to require the Finance Committee member's signatures authorizing transfers of funds between all accounts held by the District. It was moved (Director Mills), seconded (Director Reese), and unanimously carried with Directors Bryant, Reese, Pharris, Mills and Haight voting yes to approve the disbursements in the amount of \$266,622.51.

### WATER REPORT

Following presentation by General Manager Vilander, it was moved (Director Mills), seconded (Director Haight), and unanimously carried with Director Haight, Pharris, Mills, Reese, and Bryant voting yes to receive and file the water report.

### PFAS PROGRESS REPORT

General Manager Vilander provided a status report on the PFAS project. The bid walk has taken place, and groundbreaking is scheduled for December.

### IRVINE LAKE AGREEMENTS

Attorney Jungreis reported that The Irvine Company and Irvine Ranch Water District are still in discussion relating to the agreements. General Manager Vilander reported on the status of the recent discussions with the County of Orange.

### RESOLUTION NO. 2020-10-01 OF THE BOARD OF DIRECTORS OF SERRANO WATER DISTRICT ESTABLISHING CERTAIN RESERVE GOALS AND ALLOCATING DISTRICT FUNDS TO DESIGNATED RESERVE ACCOUNTS

Following discussion led by Business Manager Roggero, it was moved (Director Haight), seconded (Director Mills), and unanimously carried with Directors Pharris, Bryant, Mills, Haight and Reese voting yes to adopt Resolution No. 2020-10-01 as presented and directed staff to revise the memorandum to reflect current goals (\$23M) have been moved to \$45M due to the new State regulations. Business Manager Roggero will forward the internal staff memorandum. Director Haight also requested that the monthly financials now include the five long-term capital improvement projects and status.

### INDEPENDENT SPECIAL DISTRICTS OF ORANGE COUNTY (ISDOC) SPECIAL ELECTION OF OFFICERS

Following discussion, it was moved (Director Reese), seconded (Director Mills), and unanimously carried with Directors Pharris, Bryant, Mills, Haight and Reese voting yes to authorize the Board President to cast the District's vote for Mark Monin of the El Toro Water District.

CORRESPONDENCE

Correspondence was reviewed as agendized.

DIRECTORS COMMENTS AND REPORTS

Director Bryant thanked Attorney Jungreis for his hospitality. Additionally, Laura was also asked to look into training required for directors.

ATTORNEY’S REPORT

Attorney Jungreis reported that AB-992 has recently passed which is an amendment to the Brown Act. This bill makes clear that elected officials may communicate with constituents directly on social media. However, individual directors may not comment on other director’s posts (including likes, dislikes and emoji’s, etc.).

Attorney Jungreis reported that there is a growing number of agencies that are going back to in-person meetings with telephonic access. The District is a critical infrastructure so it does permit for in-person meetings.

*It was announced that it would not be necessary for the Board of Directors 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*

*Conference with legal counsel – anticipated litigation - initiation of litigation [Government Code Section 54956.9(d)(4)]: One potential case*

ADJOURNMENT

The meeting was formally adjourned at 10:30 a.m. The next regularly scheduled meeting will be held on Tuesday, November 17, 2020 @ 8:30 a.m. at the District office.

Laura Heflin, Administrative Assistant