

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, October 24, 2023. 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 8:33 a.m.

ROLL CALL:

BOARD OF DIRECTORS MEMBERS PRESENT:

Brad Reese	President – <i>Via Zoom Platform</i>
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
Laura Heflin	Administrative Assistant
Vittorio Roggero	Business Manager
Jeremy Jungreis	Legal Counsel

GUESTS PRESENT:

Dan Robinson	<i>Attorney</i>
Wayne Rosenbaum	<i>Attorney</i>

PUBLIC COMMENT

None.

Many items were moved out of sequence on the agenda to accommodate the various time schedules of the attendees at the meeting.

It was announced that the Board of Directors would be entering into closed session at 8:40 a.m.

RECESS TO CLOSED SESSION

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

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – [Government Code Section 54956.9(a)] – Orange County Water District et al. v. 3M Company et al.

The meeting was reconvened into open session at 9:25 a.m. and it was reported that the following action was taken. It was moved (Haight), seconded (Mills), and unanimously carried with Director Mills, Reese, Haight, Bryant and Pelly voting yes to opt in pending results of issues further answered by special counsel and participate in the objection per counsel's recommendation.

CLIFTONLARSONALLEN LLP AUDIT FYE 2022/2023: Daphnie Munoz, CPA

Following presentation of the audit by Ms. Daphnie Munoz, it was moved (Director Mills), seconded (Pelly), and unanimously carried with Directors Reese, Bryant, Mills, Haight, and Pelly voting yes to adopt the District's audit for FYE 2022/23. Director Haight discussed the revenue projections and requested that staff take another look as it relates to our proforma. Staff will evaluate the revenue stream from domestic sales. Following lengthy discussion, it was agreed that staff will bring back the four components (broken down) for salaries for the last five years and will present to both the Board of Directors and at the Finance Committee. It was also agreed that staff would make changes to more closely mirror the audit.

BOARD MINUTES

Consideration of Serrano Water District Board Meeting minutes of the September 26, 2023 Board meeting. Director Mills moved that the minutes of the September 26, 2023 meeting for Serrano Water District be approved as submitted, Director Pelly seconded the motion, and the motion was unanimously carried with Directors Bryant, Haight, Mills, Pelly, and Reese 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. General Manager Vilander reported that he and Attorney Jungreis are meeting with General Manager Paul Cook of IRWD and their staff to develop an agreement on how to handle the payments during the construction process as is required and will be brought back to the Board meeting. General Manager Vilander announced that the staff bowling party is scheduled for 12/14 at 11:30 a.m. with the usual raffle prizes distributed.

FINANCIAL REPORT

Business Manager Roggero presented the financials for the month of September. It was moved (Director Mills), seconded (Director Pelly), and carried with Directors Bryant, Reese, Pelly and Mills voting yes to approve the disbursements in the amount of \$439,833.76.

WATER REPORT

General Manager presented the water report for the month of August. General Manager Vilander reported that the production/consumption report was not included and Business Manager Roggero remarked that the Santiago Report from IRWD has not been received. The report was received and filed.

SANTIAGO RESERVOIR PROJECT UPDATE

General Manager Vilander reported on the status of the Santiago Reservoir Project. Water has been released to comply with DSOD guidelines.

RESOLUTION NO. 2023-10-01 OF THE BOARD OF DIRECTORS OF THE SERRANO WATER DISTRICT AUTHORIZING THE GRANT APPLICATION, ACCEPTANCE, AND EXECUTION FOR THE SMITH PUMP STATION DROUGHT AND CLIMATE RESILIENCY PROJECT

Following discussion led by General Manager Vilander, it was moved (Director Mills), seconded (Director Pelly), and carried with Director Reese, Mills, Bryant, and Pelly voting yes to adopt Resolution No. 2023-10-01 as presented.

CREATION OF NON-PROFIT PUBLIC BENEFIT CORPORATION TO ACT AS COUNTER-PARTY IN WIFIA FINANCING OF SANTIAGO DAM AND SMITH RESERVOIR PROJECTS

Following discussion led by General Manager Vilander, it was moved (Director Mills), seconded (Director Haight), and unanimously carried with Director Reese, Mills, Bryant, Haight, and Pelly voting yes to approve and execute Action by Written Consent for newly formed Serrano Public Facilities Corporation.

UPDATE ON RECREATION AGREEMENTS AND ASSOCIATED RFP PROCESS AT IRVINE LAKE
Informational.

COLUMBUS DAY HOLIDAY ADDITION TO PAID ANNUAL HOLIDAYS FOR DISTRICT STAFF

Following discussion, it was moved (Director Mills), seconded (Director Pelly), and unanimously carried with Directors Haight, Mills, Pelly, Bryant and Reese voting yes to add the Columbus Day holiday to the annual list of paid holidays for staff.

CORRESPONDENCE

None.

DIRECTORS COMMENTS AND REPORTS

None.

ATTORNEY'S REPORT

Attorney Jungreis reported that he is working on the revised agreement with the City of Orange and will bring this back to the Board of Directors.

ADJOURNMENT

The meeting was formally adjourned at 10:55 a.m. The next regularly scheduled meeting is scheduled for November 20, 2023 @ 8:30 a.m.

Laura Heflin
Administrative Assistant