

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, April 23, 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 8:43 a.m.

ROLL CALL:

BOARD OF DIRECTORS MEMBERS PRESENT:

Brad Reese	President
Frank Bryant	Vice-President
Greg Mills	Board Member – <i>Remote Via Zoom Platform</i>
Mike Pelly	Board Member
Jerry Haight	Board Member

BOARD OF DIRECTORS MEMBERS ABSENT:

STAFF PRESENT:

Jerry Vilander	General Manager
Laura Heflin	Administrative Assistant
Jennifer Westrum	Administrative Assistant
Vittorio Roggero	Business Manager
Jeremy Jungreis	Legal Counsel

GUESTS PRESENT:

Paul Cook	General Manager, Irvine Ranch Water District
Doug Reinhart	Board President, Irvine Ranch Water District

PUBLIC COMMENT

None.

President Reese announced that the following agenda items would be moved out of sequence to accommodate schedules.

SANTIAGO RESERVOIR PROJECT UPDATE

Mr. Reinhart, Board President of IRWD, introduced himself as well as Mr. Cook, General Manager of IRWD. Mr. Cook delivered a presentation on the Santiago Reservoir. Highlighted items included SWD/IRWD objectives, terms, counter terms, and next steps. A lively question and answer period followed. The Board of Directors and staff thanked Mr. Reinhart and Mr. Cook for the presentation.

At 9:40 a.m., President Reese announced that the Board of Directors would be entering into closed session.

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.

It was announced at 11:00 a.m., that the Board of Directors would be reconvening the meeting in open session with no reportable action.

ANNUAL COLA AND COMPENSATION ADJUSTMENT

Following discussion led by General Manager Vilander, it was motioned by Director Haight to authorize General Manager Vilander to grant COLA increases to the staff in the amount of 3.5% as well as a pool of \$5,000 to be distributed to the staff on a one-time basis at his discretion. Director Pelly made a friendly amendment to the motion that General Manger Vilander be authorized to grant a 3.4% COLA and a \$5,000 pool to staff at his discretion on a one-time basis. Roll call vote followed with Directors Pelly, Bryant, and Haight voting yes and the motion carried with Directors Reese and Mills voting no.

BOARD MINUTES

Consideration of Serrano Water District Board minutes of the March 18, 2024 meeting. Director Mills moved that the minutes of the March 18, 2024 meeting be approved as submitted, Director Bryant seconded the motion, and the motion was unanimously carried with Directors Bryant, Mills, Pelly, Haight, 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 March. Highlights included a review of various meetings attended and current issues. Following discussion led by President Reese, it was decided that Director Haight and Director Pelly would be appointed to serve on the newly formed Ad-Hoc Rate Structure Committee, with Director Bryant serving as the alternate.

FINANCIAL REPORT

Business Manager Roggero presented the financials for the month of March. It was moved (Director Reese), seconded (Director Bryant), and unanimously carried with Directors Bryant, Reese, Pelly, Haight and Mills voting yes to approve the disbursements in the amount of \$309,418.73.

WATER REPORT

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

PROFESSIONAL SERVICES AGREEMENT BETWEEN SERRANO WATER DISTRICT AND ROBERT D. NEIHAUS, INC. FOR AS NEEDED FINANCIAL AND RATE EVALUATION SERVICES NOT TO EXCEED \$100,000

Following discussion led by General Manager Vilander, it was moved (Director Mills), seconded (Director Haight) and unanimously carried with Directors Reese, Bryant, Mills, Haight, and Pelly voting yes to

authorize the General Manager to increase the contract amount with Robert D. Neihaus Inc. in an amount of not to exceed \$100,000 for as-needed financial and rate evaluation services.

CONSIDERATION ADOPTION OF RESOLUTION 2024-04-01 (APPROVING AN INITIAL STUDY AND MITIGATED NEGATIVE DECLARATION (IS/MND) FOR, THE SMITH RESERVOIR REPLACEMENT PROJECT

President Reese opened the public hearing. General Manager Vilander thoroughly reviewed and explained Resolution No. 2024-04-01 as presented. Hearing no public comments, President Reese officially closed the hearing with no discussion. It was moved (Director Haight), seconded (Director Mills) and unanimously carried with Directors Reese, Bryant, Mills, Haight, and Pelly voting yes to adopt Resolution No. 2024-04-01 as presented and adopt mitigated negative declaration for, and approving, the Smith Reservoir Replacement Project.

RESOLUTION NO. 2024-04-02 OF THE BOARD OF DIRECTORS OF SERRANO WATER DISTRICT DECLARING CERTAIN PROPERTY AT IRVINE LAKE AS “EXEMPT SURPLUS LAND” IRVINE LAKE MASTER GROUND LEASE UPDATE AND RESOLUTION DECLARING EXEMPTION FROM SURPLUS LAND ACT

Following discussion led by General Manager Vilander, it was moved (Director Mills), seconded (Director Bryant) and unanimously carried with Directors Reese, Bryant, Mills, Haight and Pelly voting yes to adopt Resolution No. 2024-04-02 as presented.

RESOLUTION NO. 2024-04-03 RESOLUTION OF THE BOARD OF DIRECTORS OF SERRANO WATER DISTRICT REVIEWING, AMENDING, AND RESTATING THE DISTRICT’S STATEMENT OF INVESTMENT POLICY

Following discussion led by General Manager Vilander, it was moved (Director Mills), seconded (Director Haight) and unanimously carried with Directors Reese, Bryant, Mills, Haight, and Pelly voting yes to adopt No. 2024-04-03 as presented.

RESOLUTION NO. 2024-04-04 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 General Manager Vilander, it was moved (Director Mills), seconded (Director Bryant) and unanimously carried with Directors Reese, Bryant, Mills, Haight and Pelly voting yes to adopt Resolution No. 2024-04-04 as presented.

ANNUAL ADJUSTMENTS TO 5 YEAR RATE STRUCTURE

The annual adjustments to the five-year rate structure that were previously approved by the Board of Directors were presented as an informational item.

CORRESPONDENCE

None.

DIRECTORS COMMENTS AND REPORTS

None.

ATTORNEY’S REPORT

Attorney Jungreis reported that the State Water Board issued a notice of a potential Cyber attack from China. General Manager Vilander responded that he will follow up with our IT vendor. Attorney Jungreis also noted that he will be conducting legally required Ethics Training for elected officials on Monday, April 29 followed by dinner.

ADJOURNMENT

The meeting was formally adjourned at 11:45 a.m. The next regularly scheduled meeting is scheduled for May 28, 2024 @ 8:30 a.m.

Jennifer Westrum
Administrative Assistant