

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, May 24, 2022. The meeting was held at the District Office located at 18021 Lincoln Street, Villa Park, California.

CALL TO ORDER: President Mills called the meeting to order at 8:32 a.m.

ROLL CALL:

BOARD OF DIRECTORS MEMBERS PRESENT:

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

Jacob Moeder	Irvine Ranch Water District
Harry Cho	Irvine Ranch Water District

PUBLIC COMMENT

None.

SANTIAGO RESERVOIR IMPROVEMENTS PROJECT UPDATE AND VARIANCE NO. 2 – JACOB MOEDER, IRVINE RANCH WATER DISTRICT

General Manager Vilander provided the Board of Directors with an update on the Santiago Reservoir Improvements project and associated variance. Mr. Moeder and Mr. Cho were introduced to the Board of Directors. Jacob Moeder of IRWD delivered a PowerPoint presentation to the Board of Directors and staff on the improvement project and variance. Highlights included background, project update, changes in scope of work, project schedule, next steps and staff recommendation. A question-and-answer period followed. Mr. Moeder was thanked for his presentation. It was then moved (Director Pharris), seconded (Director Bryant), and unanimously carried with Directors Bryant, Mills, Reese, Haight and Pharris voting yes to approve Variance No. 2 with AECOM in the amount of SWD portion - \$654,740 for additional design phase services for the Santiago Reservoir improvements.

BOARD MINUTES

Consideration of Serrano Water District Board Meeting minutes of the regularly scheduled meeting on April 26, 2022. Director Haight moved that the minutes of the April 26 meeting be approved as submitted, Director Pharris 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 April. Highlights included a review of various meetings attended and current issues. General Manager Vilander reported that he had met with Fieldman & Rolapp to discuss the revised proforma. Ben's Asphalt came in as the lowest bidder for the asphalt project at the District. General Manager Vilander requested that Directors get the names of any additional people that they would like to invite to the PFAS dedication ceremony to Laura. It was agreed that the next meeting will be moved to Monday, June 27 to accommodate the General Manager's vacation schedule. Discussion ensued as well as a question-and-answer period.

FINANCIAL REPORT

Business Manager Roggero presented the financials for the month of April. It was moved (Director Pharris), seconded (Director Bryant), and unanimously carried with Directors Bryant, Pharris, Reese, Haight and Mills voting yes to approve the disbursements in the amount of \$433,147.23. Director Pharris requested that Director stipends be separated from insurance reimbursements moving forward. Director Reese questioned a few of the disbursements. Director Haight requested that the reserves pages be updated to reflect current numbers.

WATER REPORT

General Manager presented the water report for the month of April. IRWD is working on a repair of the Baker pipeline. The report was received and filed.

ANNUAL ADJUSTMENTS TO DISTRICT 5 YEAR RATE STRUCTURE

Attorney Jungreis gave a presentation on rates and pass throughs that were approved at the June 2021 Board meeting, and the notification process was discussed.

SMITH RESERVOIR REPLACEMENT DESIGN ENGINEER PROPOSALS

General Manager Vilander reviewed and presented proposals submitted by Tetra Tech, Carollo and Brown and Caldwell. Following discussion and a question-and-answer period, it was moved (Director Reese), seconded (Director Pharris), and unanimously carried with Directors Bryant, Pharris, Reese, Haight and Mills voting yes to authorize the General Manager to contract with Tetra Tech in an amount not to exceed \$894,000 with a contingency of \$180,000 for the design and construction support services for the replacement of the Smith Reservoir and Pump Station based upon clarification of additional property requirements.

GENERAL MANAGER EXPENDITURE AUTHORITY FOR FEDERAL LOBBYIST AND GRANT WRITING SERVICES

Following discussion led by General Manager, it was moved (Director Pharris), seconded (Director Bryant), and unanimously carried with Directors Bryant, Pharris, Reese, Haight and Mills voting yes to authorize General Manager to issue funds in an amount not to exceed \$200,000 for Federal lobbyist and grant writing services.

GENERAL MANAGER EXPENDITURE AUTHORITY FOR STATE LOBBYIST

Following discussion led by General Manager, it was moved (Director Pharris), seconded (Director Reese), and unanimously carried with Directors Bryant, Pharris, Reese, Haight and Mills voting yes to authorize General Manager to issue funds in an amount not to exceed \$200,000 for state lobbyist and grant writing services.

BAD DEBT WRITE-OFFS FOR FISCAL YEAR 2021-2022

Following discussion led by General Manager, it was moved (Director Pharris), seconded (Director Haight), and unanimously carried with Directors Bryant, Pharris, Reese, Haight and Mills voting yes to authorize staff to write off bad debt in the amount of \$2,226.84.

CORRESPONDENCE

Correspondence was reviewed as agendized.

DIRECTORS COMMENTS AND REPORTS

None.

ATTORNEY’S REPORT

Attorney Jungreis reported on the status of the drought situation. Governor Newsom’s office is proposing a 20% cutback and implementation of the stage II drought contingency plan. The District is currently a non-urban water supplier and may not have to comply.

GOVERNOR’S ORDER WATER CONSERVATION EMERGENCY REGULATION DROUGHT RESPONSE

General Manager Vilander reported he is part of a coalition with other water suppliers led by Stacy Taylor from Mesa Water which is lobbying the State Water Resources Control Board to include alternative language in the Emergency Drought Declaration. Attorney Jungreis reviewed the Governor’s order regarding emergency regulation drought response and stated that the District should continue to monitor due to our small size.

It was announced that it was not necessary 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

ADJOURNMENT

The meeting was formally adjourned at 11:15 a.m. to an adjourned meeting to be held on June 27, 2022 @ 8:30 a.m.

Laura Heflin
Administrative Assistant