

**MINUTES OF THE
YORBA LINDA WATER DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
January 24, 2008**

The January 24, 2008 regular meeting of the Yorba Linda Water District Board of Directors was called to order by President Summerfield at 8:30 a.m. The meeting was held at the Richfield Plant, 913 S. Richfield Road, Placentia.

DIRECTORS PRESENT AT ROLL CALL

John W. Summerfield, President
William R. Mills, Vice President
Paul R. Armstrong
Michael J. Beverage
Richard P. Collett

STAFF PRESENT

Michael A. Payne, General Manager
Kenneth R. Vecchiarelli, Asst. G.M.
Lee Cory, Operations Manager
Pat Grady, IT Director
Amelia Cloonan, Executive Secretary
Sandi Van Etten, Senior Accountant
Jeff McDonald, Sr. Water Distribution Operator

INTRODUCTION OF VISITORS AND PUBLIC COMMENTS

None

SPECIAL RECOGNITION

President Summerfield recognized Jeff McDonald, Senior Water Distribution Operator, for his accomplishment in completing the ACWA/JPIA Supervisor Basics Specialty Programs.

Jeff McDonald left the meeting at 8:34 a.m.

CONSENT CALENDAR (Items 1 through 3)

On a motion by Director Armstrong, seconded by Vice President Mills, the Board of Directors voted 5-0 to approve the Consent Calendar with Director Collett abstaining from voting on Item 2, checks nos. 48182 and 48213.

1. Minutes of the Regular Board of Directors meeting held January 10, 2008.
Recommendation: Approve the minutes as presented.
2. Payment of bills, refunds, and wire transfers.
Recommendation: Ratify and authorize disbursements in the amount of \$1,497,577.73.
3. Progress Payment for Construction of the Lakeview Reservoir.
Recommendation: Approve Progress Payment No. 8 in the net amount of \$546,775.79 to SSC Construction, Inc. for construction of the Lakeview Reservoir Project, Job No. 200704.

ACTION CALENDAR

4. Termination of Professional Services Agreement with Charles Z. Fedak & Company. General Manager Payne presented the report. There is a provision in the contract for ten days written notice for cancellation of the agreement. The agreement will be cancelled because of performance issues. The matter went before the Finance-Accounting Committee, which concurred. Diane Cyganik outlined why the firm was chosen. The improvements in service promised by the firm in the second year of the contract did not occur.

On a motion by Vice President Mills, seconded by Director Collett, the Board of Directors voted 5-0 to approve termination of the Agreement with Charles Z. Fedak & Company and authorize staff to solicit requests for proposals for new independent auditors.

Sandi Van Etten left the meeting at 8:46 a.m.

5. Highland Reservoir Project Status Report. Assistant General Manager Vecchiarelli presented the report. Board support is requested for abandonment of two orphaned oil wells on the Highland Reservoir site. The owners of the first well were located. Efforts to have our legal counsel communicate with the owners failed. Another well, inactive for 50 years, was never operational. There are no known owners of this well.

The District has a permit from the State Department of Conservation, Division of Oil, Gas and Geothermal Resources to go ahead and abandon the wells. Only one firm responded to the District's calls for an RFP, Harbor Resources, Inc. The matter was brought before the PEO Committee. There were questions and discussion about other wells in the area.

On a motion by Vice President Mills, seconded by Director Armstrong, the Board of Directors voted 5-0 to authorize the General Manager to execute an agreement with Harbor Resources, Inc. in the amount of \$151,325.20 to properly abandon two oil wells on the District's Highland Reservoir Site, Job No. 200309.

DISCUSSION ITEMS

6. None

REPORTS, INFORMATION ITEMS AND COMMENTS

7. a. President's Report
There was no report.

b. Directors Reports

Directors Armstrong, Beverage and Collett will not be attending the GWRS Dedication tomorrow. President Summerfield and Vice President Mills will attend.

Director Beverage queried if the District has a rain gauge. Operations Manager Cory stated a gauge is maintained in the Production Department.

Director Collett reported Phil Anthony visited Waste Management's offices and indicated to him that OCWD is actively looking to come to a settlement agreement with the District.

c. General Managers Report

1) Report on Eastlake pressure enhancement project

General Manager Payne indicated the issue was presented at the PEO Committee meeting on January 11. Assistant General Manager Vecchiarelli stated members of the HOA attended and other property owners attended. The District looked at some options and updated the model. A zone reconfiguration project is still in the works. The PEO Committee would like to see the results tied up in a full report. In February, the full report will come back to the PEO Committee. It will still take time to design and construct pipelines. The quickest solution for homeowners is still to install pressure enhancement systems, which are not that expensive. Installation costs are costly. President Summerfield is acquainted with someone who is pleased with their pump system. When the water is turned on, the pump turns on. The pump is located in the garage. Assistant General Manager Vecchiarelli said a pipeline will last 60 years at a cost of \$1-2 million, but the pressure enhancement system will cost \$4,000 and last only 15 years.

A report will come to the Board.

2) Highland Avenue Homeowners presentation

Invitations were sent out to residents living in proximity to the Highland Reservoir. The District wanted to inform homeowners about ingress and egress to the area during construction of the new reservoir and about removal of trees. Of 120 invitations, 20 residents attended. A group from the horse riders association also attended. Assistant General Manager Vecchiarelli said there are some major challenges. The District is working with those who gain access to their homes through our site. All official city trails are south of the site. Most equestrians cut through the District's property. During construction, they will be restricted from the east end

where the construction site and materials will be located. A joint venture with the city is to be considered. The city has expressed interest in working with the District on a trail with restricting access by autos. Fire, police, ambulance and mail delivery will have keys to access. Vice President Mills stated access to those homes is a long-term problem. A card access system was suggested by Director Beverage. The District committed to continue to meet with this group.

- 3) MWD 3 day shutdown (January 25-27)
The shutdown is starting Friday, January 25. The District has taken precautions. Notice was given to the City of Yorba Linda, and small item appeared in *The Yorba Linda Star*.
- 4) State of the District
The State of the District message is scheduled for January 29 from 11:00 a.m. to 2:00 p.m. at the Richfield Plant in the EOC Room.
- 5) 2008 Certificates of Participation
The District received two bond ratings: Fitch at AA- and S&P at AAA.

COMMITTEE REPORTS

8. a. Executive-Administrative-Organizational Committee (Summerfield/Mills) *Alternate: Collett*

- 1) Minutes of meeting held January 15.
The committee discussed the proposal submitted by Foss Consulting Group for appraisal services. The Committee also discussed the MWDOC Municipal Services Review, revisions to the JPIA Agreement for IRS compliance and the review of Board policies.
- 2) Meeting scheduled for February 20 at 4:00 p.m.

b. Finance-Accounting Committee (Beverage/Summerfield) *Alternate: Mills*

- 1) Minutes of meeting held January 8.
The committee recommended termination of the contract with Charles Z. Fedak & Co. for auditing services. There was further discussion of the Water Rate Report for 2008. The Investment Report for month ending November 30, 2007 was accepted.
- 2) Meeting scheduled for February 12, 4:00 p.m.

c. **Personnel-Risk Management Committee**

(Armstrong/Collett) *Alternate: Summerfield*

1) Minutes of meeting held January 14.

Staff recapped the ACWA/JPIA Board of Director's meeting held November 26, 2007. Information was presented to the committee regarding the ACWA-JPIA RPA Stabilization Fund report. Property insurance coverage was discussed as was recruitments and new hires and the status of current litigation.

2) Meeting scheduled for February 11, 4:00 p.m.

d. **Planning-Engineering-Operations Committee**

(Mills/Armstrong) *Alternate: Beverage*

1) Minutes of meeting held January 11.

The results of the proposed Zone Reconfiguration Projects were presented by staff. Homeowners from the East Lake Village Area were present. Staff was instructed to complete their investigation and compile the finished report for the next PEO meeting. An update on monthly maintenance activities was presented. A report was presented on the topics discussed at the monthly Orange County Groundwater Producers meeting. Monthly water production and purchased imports through December 2007 were reported on, and there was a status report of capital improvement projects.

2) Meeting scheduled for February 7, 4:00 p.m.

e. **Public Information Committee**

(Collett/Beverage) *Alternate: Armstrong*

1) Minutes of meeting held January 9.

The Committee agreed to the General Manager soliciting a contract for upgrading the District's website with *T-Write Design*. There was a status report on District information activities during December 2007 and those planned for January. Also discussed were: the new District logo, ACWA request for Prop 1A letters, water bill messages sent out in December 2007 and the SmarTimer program update. IT activities updated included: telemetry, GIS and IT general activities. An intranet demonstration was presented.

2) Meeting scheduled for February 5, 4:00 p.m.

f. **Building Ad Hoc Committee**

(Summerfield/Beverage) *Alternate: Armstrong*

- 1) The meeting scheduled for January 17 was cancelled.
- 2) Meeting scheduled for January 31, 4:00 p.m.
- 3) Meeting scheduled for February 21, 4:00 p.m.

g. **MWDOC Ad Hoc Committee**

(Mills/Beverage) *Alternate: Collett*

- 1) Meeting scheduled for February 26 is to be rescheduled.

h. **City of Placentia Ad Hoc Committee**

(Beverage/Payne)

- 1) Meeting to be scheduled for March.

i. **City of Yorba Linda Ad Hoc Committee**

(Summerfield/Payne)

- 1) Report on meeting held January 23.

President Summerfield reported on the meeting held at city hall. Also present were General Manager Payne, Mayor Winder and City Manager Letorneau. Items discussed included: synthetic turf, water conservation and the impact from MWD. The city is investigating putting in synthetic turf on some medians. They are not comfortable with SmarTimers yet. The emergency drill was discussed, and they were invited to participate in another county-wide drill in October. An update was given on the Highland Reservoir project, Lakeview Reservoir, Palm Avenue booster station easements, the pipeline from Ohio, Hidden Hills Reservoir, low pressure enhancement in East Lake and the agricultural program cutoff in the District's service area. They were informed about the water rate hearing that took place in December and the possibility of the state taking property tax revenues. The city is putting in an underground drip system in medians.

INTERGOVERNMENTAL MEETINGS

9. a. Yorba Linda City Council, Jan 15
Director Armstrong attended. The agenda did not commence until around 11:00 p.m.
- b. MWDOC Board, Jan 16
No one attended as there was nothing pertaining to the District.

- c. OCWD Board, Jan 16
General Manager Payne said they are commencing the budget process for 2008-2009. This involves the District. The District wants to meet with the City of Garden Grove regarding the shallow aquifer project in the parks. A meeting between Art Kidman, Joel Kooperberg, Mike Marcus and Mike Payne has been scheduled for February 4.
- d. Yorba Linda Planning Commission, Jan 23
No one attended.

BOARD OF DIRECTORS ACTIVITY CALENDAR

Authorization to attend meetings scheduled after January 24, 2008. Agenda is available in the District office prior to meeting.

January

| | |
|--|----------------------|
| ISDOC, Jan 31, 11:30 a.m. (Mesa Consolidated Water District) | Mills |
| Building Ad Hoc Committee, Jan 31, 4:00 p.m. | Beverage/Summerfield |

February 2008

| | |
|--|-------------------------|
| WACO, Feb 1, 7:30 a.m. | No director assigned |
| Public Information Committee, Feb 5, 4:00 p.m. | Collett/Beverage |
| Yorba Linda City Council, Feb 5, 6:30 p.m. | Mills |
| MWDOC/MWD Joint Workshop, Feb 6, 8:30 a.m. | Staff |
| OCWD Board, Feb 6, 5:00 p.m. | Staff |
| Planning-Engineering-Operations Committee, Feb 7, 4:00 p.m. | Mills/Armstrong |
| Personnel-Risk Management Committee, Feb 11, 4:00 p.m. | Armstrong/Collett |
| Finance-Accounting Committee, Feb 12, 4:00 p.m. | Beverage/Summerfield |
| Yorba Linda Planning Commission, Feb 13, 6:30 p.m. | Collett |
| District Board Meeting, Feb 14, 8:30 a.m. | |
| President's Day, Feb 18 | District Offices Closed |
| Yorba Linda City Council, Feb 19, 6:30 p.m. | Armstrong |
| MWDOC Board, Feb 20, 8:30 a.m. | Staff |
| Executive-Admin-Organizational Committee, Feb 20, 4:00 p.m. | Summerfield/Mills |
| OCWD Board, Feb 20, 5:00 p.m. | Staff |
| Building Ad Hoc Committee, Feb 21, 4:00 p.m. | Beverage/Summerfield |
| MWDOC Ad Hoc Committee, Feb 26, 4:00 p.m. To be rescheduled | Mills/Beverage |
| Yorba Linda Planning Commission, Feb 27, 6:30 p.m. | Summerfield |
| District Board Meeting, Feb 28, 9:00 a.m. | |

March 2008

| | |
|---|----------------------|
| Public Information Committee, March 4, 4:00 p.m. | Collett/Beverage |
| Yorba Linda City Council, March 4, 6:30 p.m. | Mills |
| MWDOC/MWD Joint Workshop, March 5, 8:30 a.m. | Staff |
| OCWD Board, March 5, 5:00 p.m. | Staff |
| Planning-Engineering-Operations Committee, March 6, 4:00 p.m. | Mills/Armstrong |
| WACO, March 7, 7:30 a.m. | |
| Personnel-Risk Management Committee, March 10, 4:00 p.m. | Armstrong/Collett |
| Finance-Accounting Committee, March 11, 4:00 p.m. | Beverage/Summerfield |
| Yorba Linda Planning Commission, March 12, 6:30 p.m. | Collett |
| District Board Meeting, March 13, 8:30 a.m. | |
| Executive-Admin-Organizational Committee, March 18, 4:00 p.m. | Summerfield/Mills |
| Yorba Linda City Council, March 18, 6:30 p.m. | Armstrong |
| MWDOC Board, March 19, 8:30 a.m. | Staff |
| OCWD Board, March 19, 5:00 p.m. | Staff |
| Building Ad Hoc Committee, March 20, 4:00 p.m. | Beverage/Summerfield |
| Yorba Linda Planning Commission, March 26, 6:30 p.m. | Summerfield |
| District Board Meeting, March 27, 8:30 a.m. | |

CONFERENCES AND SEMINARS

10. Authorize attendance of Directors and such staff members of the District as approved by the General Manager to attend the following conferences and seminars.

- a. ISDOC Quarterly Meeting, Thursday, January 31, 11:30 a.m. – 1:00 p.m. The 2008 CSDA Conference: Why Orange County Special Districts Play a Key Role in its Success, and How You Can Get Involved Today! Speaker: Darcel Harris, Education Director, California Special Districts Association.
- b. ACWA 2008 Spring Conference, Portola Plaza, Monterey, May 6-9. Vice President Mills asked if Director Armstrong would be the JPIA representative. Vice President Mills will be the alternate. This was agreed.

A recess as declared at 9:53 a.m. The Board reconvened at 9:58 a.m. and adjourned to Closed Session. All Directors were present. Also present was General Manager Payne.

ADJOURN TO CLOSED SESSION

11. Public Employee Performance Evaluation [Government Code Section 54957] Title: General Manager.

RECONVENE IN OPEN SESSION

The Board of Directors reconvened in open session at 11:03 a.m.

CLOSED SESSION REPORT

On a motion by Vice President Mills, seconded by Director Beverage, the Board of Directors voted 5-0 to approve a salary increase for the General Manager in the amount of \$12,000 per year effective January 1, 2008.

ADJOURNMENT

On a motion by Director Collett, seconded by Director Beverage, the Board of Directors voted 5-0 to adjourn at 11:04 a.m. to a meeting of the Board of Directors scheduled for February 14, 2008, at 8:30 a.m., at 4622 Plumosa Drive, Yorba Linda 92886.

Michael A. Payne
Secretary