

MINUTES OF THE BOARD OF DIRECTORS OF SERRANO WATER DISTRICT

The Board of Directors of the Serrano Water District met in a special board meeting on Tuesday, September 26, 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 8:01 a.m.

ROLL CALL:

BOARD OF DIRECTORS MEMBERS PRESENT:

Brad Reese	President
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:

PUBLIC COMMENT

None.

BOARD MINUTES

Consideration of Serrano Water District Board Meeting minutes of the August 22, 2023 Board meetings and the August 22, 2023 Board meeting of SWD Recreation, Inc. Director Mills moved that the minutes of the August 22, 2023 meetings for Serrano Water District and SWD Recreation, Inc. 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 agendaized for the month of August. Highlights included a review of various meetings attended and current issues. General Manager Vilander reported on the meetings attended and testing at Irvine Lake by IRWD. Director Haight discussed the Environmental Working Group study in 2021 and various levels. Attorney Jungreis is currently rewriting the agreement with the City of Orange. Brown and Caldwell have completed the amendment to the master plan to include improvements to Smith Reservoir. A resolution authorizing staff to proceed with a grant for Smith Reservoir will be included in the October Board packet. Director Haight reported that the July 6, 2023 Town Hall information should be added underneath the Town Hall tab on the District's website. Director Haight requested that the District's webpage be updated as the last update occurred last year. It was also requested that a Security Committee meeting be scheduled to test the system. General Manager Vilander remarked that Security Bob is working on the camera system at the plant currently. Staff holidays were

discussed and it was agreed that Columbus Day will be added to the list of holidays. This will be formally agendized at the October meeting.

FINANCIAL REPORT

Business Manager Roggero presented the financials for the month of August. It was moved (Director Mills), seconded (Director Haight), and unanimously carried with Directors Bryant, Reese, Haight, Pelly and Mills voting yes to approve the disbursements in the amount of \$573,683.80. Business Manager Roggero reported that the audit was complete. Director Haight asked about the Denali's repairs and associated cost and the projections for sales to the City of Orange as it relates to the current proforma. General Manager Vilander and Business Manager Roggero remarked that it is reflective of past sales.

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. The cracking study is still underway. General Manager Roggero explained BPP.

DISTRICT FINANCING: WIFIA (THE WATER INFRASTRUCTURE FINANCE AND INNOVATION ACT) LOAN FOR SMITH RESERVOIR AND PUMP STATION; FIELDMAN, ROLAPP & ASSOCIATES CONTRACT AMENDMENT #3 NOT TO EXCEED \$20,000; SOTO RESOURCES CONTRACT NOT TO EXCEED \$15,050; WIFIA APPLICATION FEE \$25,000; EXPEND \$10,000 FOR RUTAN'S LEGAL SERVICES

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

- Amend Fieldman and Rolapp's contract to add an additional NTE \$20,000, assuming no additional S&P rating analysis is needed.
- Contract with Soto Resources NTE \$15,050.
- Submit an LOI to WIFIA for a loan to finance the Smith Reservoir project which gives the District flexibility to construct Smith up to the year 2028/29 and when appropriate submit an application fee of \$25,000.
- Expend \$10,000 for Rutan's legal services.

MWDOC AGENCY MEMBER SURVEY

General Manager Vilander led the discussion relating to the MWDOC agency member survey.

CORRESPONDENCE

None.

DIRECTORS COMMENTS AND REPORTS

None.

DEBT POLICY

Business Manager Roggero presented the revised debt policy remarking that the only minor revision was added verbiage to cure the conflict between the debt and reserve policies. It was moved (Director Mills), seconded

(Director Haight), and unanimously carried with Director Reese, Mills, Bryant, Haight, and Pelly voting yes to adopt the debt policy as presented.

ATTORNEY’S REPORT

Attorney Jungreis reported that he is currently working with staff from IRWD and the County of Orange to finalize various agreements. The agreements should be ready to present to the Board of Directors within the next month. It will be necessary to create another non-profit for the WIFIA loan application process. This will be agendized for the October Board meeting.

It was announced that it was not necessary to enter in to 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.

ADJOURNMENT

The meeting was formally adjourned at 9:24 a.m. The next regularly scheduled meeting is scheduled for October 23, 2023 @ 8:30 a.m.

Laura Heflin
Administrative Assistant