

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, June 25, 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 8:31 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
Jennifer Westrum	Administrative Assistant
Vittorio Roggero	Business Manager
Jeremy Jungreis	Legal Counsel

GUESTS PRESENT:

Lynn Bjorklund	Villa Park Resident
Pam Dunn	Villa Park Resident
Diana Fascenelli	Villa Park Resident

PUBLIC COMMENT

Lynn Bjorklund mentioned that he thought the Townhall meeting was going to be about the rates going up but it was something different than what he thought. Pam Dunn commented that she would like to have the Board try and keep the water rights to our portion of Irvine Lake as well as the treatment plant. She also stated that the Board should look into a property tax to help fund the loan in order to keep the Santiago Reservoir and Treatment Plant.

BOARD MINUTES

Consideration of Serrano Water District Board Meeting minutes of the board meetings of May 28, 2024 and June 7, 2024. Director Haight moved that the minutes of the May 28, 2024 and June 7, 2024 meetings be approved as submitted, Director Mills seconded the motion, and the motion was unanimously carried with Directors Reese, Bryant, Haight, Mills, and Pelly voting yes.

GENERAL MANAGER REPORT

General Manager Vilander reviewed various meetings attended and current issues.

FINANCIAL REPORT

Business Manager Roggero presented the financials for the month of May. Motion by Director Mills, seconded Director Haight, and unanimously carried with Directors Reese, Bryant, Pelly, Haight, and Mills voting yes to approve the disbursements in the amount of \$438,400.15.

WATER REPORT

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

SANTIAGO RESERVOIR PROJECT UPDATE

General Manager Vilander reviewed the rate study analysis that was conducted by Water Resource Economics where the presentation compared various water rate structures.

ANNUAL STATEMENT OF EMPLOYEE REIMBURSEMENT

Business Manager Roggero presented the annual statement of employee reimbursement as required under AB-1542.

ADJUSTMENT OF GENERAL MANAGER SALARY

It was moved Director Mills, seconded Director Bryant and unanimously carried with Directors Reese, Bryant, Pelly, Mills and Haight voting yes to grant General Manager Vilander a 3.4% COLA, cost of living increase plus a \$2,000 one-time salary adjustment as discussed at the previously scheduled May board meeting.

CSDA BOARD OF DIRECTORS ELECTION BALLOT – SEAT A

After some discussion, it was moved Director Mills, seconded Director Reese, and unanimously carried with Directors Haight, Pelly, Mills, Bryant and Reese voting yes to authorize President Reese to vote on behalf of the Board of Directors in the CSDA Board of Directors election Seat A.

ANNUAL BUDGET FOR 2024/2025

Following a discussion led by Business Manager Roggero, it was moved Director Mills, seconded Director Pelly, and unanimously carried with Director Mills, Reese, Bryant, Pelly and Haight voting yes to adopt the 2024/2025 budget with an Amendment of \$ 9,300.00 to include the Watershed Sanitary Survey.

CORRESPONDENCE

None.

DIRECTORS COMMENTS AND REPORTS

President Reese commented that the MWDOC meeting was very interesting, and the City of Orange appreciates the water that SWD sells to them.

ATTORNEY’S REPORT

Attorney Jungreis reported that the California Supreme Court ruled that the Initiative 1935 was not proper for the ballot and was removed as a result.

President Reese announced that the Board of Directors would be entering into closed session at 10:12 a.m.

RECESS TO CLOSED SESSION

- A. 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

B. CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION-
(Government Code Section 54956.9 (d)): Two potential cases.

At 11:00 a.m. President Reese announced that we would return to open session with one reportable item.

The Serrano Water District Board, by a vote of 4-0, upon motion by Director Reese, seconded by Director Mills, and with Directors Pelly, Bryant, Reese and Mills voting in the affirmative, conceptually approved the June 19, 2024 term sheet for the potential future transfer of Irvine Lake and associated water rights and property to IRWD per the term sheet, contingent upon the Board approving final agreements required to effectuate the transfer, and authorizing the General Manager and General Counsel to recommend additional minor revisions to the term sheet as they deem necessary to clarify the intent of the parties. The Board also authorized the General Manager to notify EPA of the discontinuation of the current WIFIA process for Irvine Lake and Smith Reservoir.

ADJOURNMENT

The meeting was formally adjourned at 11:04 a.m. The next regularly scheduled meeting is scheduled for July 23, 2024 @ 8:30 a.m.

Jennifer Westrum
Administrative Assistant