



*An Independent Special District
Serving Orange County Since 1947*

AGENDA

781ST MEETING

**BOARD OF TRUSTEES
ORANGE COUNTY VECTOR CONTROL DISTRICT**

**DECEMBER 15, 2011
THURSDAY
3:00 P.M.**

**13001 GARDEN GROVE BOULEVARD
GARDEN GROVE, CALIFORNIA 92843-2102**

The mission of the Orange County Vector Control District is to provide the citizens of Orange County with the highest level of protection from vectors and vector-borne diseases.

BOARD OF TRUSTEES
Orange County Vector Control District
AGENDA
781st Meeting, December 15, 2011
Thursday, 3:00 P.M.

ITEMS

COMMITTEE MEETINGS:

- ⇨ 1:30 P.M. – **JOINT MEETING: Executive Committee/Policy & Personnel Committee**: CLOSED SESSION: Conference with Labor Negotiators (Gov. Code Section 54957.6). Agency Designated Representatives: Michael Hearst, Kelly Price, Steve Filarsky (Attorney at Law); Employee Organization: California School Employees Association, Chapter #2002 (Item No.12)
- ⇨ 2:00 P.M. – **Budget & Finance Committee**: 1) Review Annual Audit for 2010-11 (Item No. 10); 2) Approve Payment to OCERS for Unfunded Actuarial Accrued Liability (UAAL) Obligation (Item No. 11)

MEETING – 3:00 P.M.:

1. Pledge of Allegiance
2. Roll Call
3. Public Comments
4. Announcement of Late Communications
5. Employee Anniversary Recognition
6. Committee Reports:
 - 6A - Joint Meeting: Executive Committee/Policy & Personnel Committee
 - 6B - Budget & Finance Committee
 - 6C - Nominating Committee
7. Consent Calendar – Items for Approval by General Consent
 - 7A - Approval of Minutes
 - 7B - Accept and Approve Monthly Financial Report; and Receive and File Warrant Register
 - 7B.1 - Monthly Financial Report
 - 7B.2 - Warrant Register
 - 7C - Authorize Travel to Attend the 2012 AMCA 78th Annual Conference in Austin, Texas
 - 7D - Appointment of Trustee Representatives
 - 7E - Report of District Activities
8. Management Information Items
 - 8A - Presentation: Using Mosquito Fish as a Biological Control Agent
 - 8B - WNV and Typhus Disease Update
 - 8C - Other Information Items
9. Grand Jury Address to the Board of Trustees
10. Accept Basic Financial Statements Dated June 30, 2011, Management Compliance Letter, and Audit Committee Letter for 2010-11 Annual Audit
11. Approve Payment to Orange County Employees Retirement System (OCERS) for Unfunded Actuarial Accrued Liability (UAAL) Obligation
12. CLOSED SESSION: Conference with Labor Negotiators (Gov. Code Section 54957.6). Agency Designated Representatives: Michael Hearst, Kelly Price, Steve Filarsky (Attorney at Law); Employee Organization: California School Employees Association, Chapter #2002
13. CLOSED SESSION: Public Employee Performance Evaluation: Position: District Manager. Pursuant to Government Code Section 54957
14. Open Session: Report of Any Required Disclosures of Action in Closed Session
15. Recognition of Outgoing Trustees
16. Written Communications
17. Comments from the Board of Trustees
18. Other Business
19. Adjournment
(Meeting Calendar follows agenda.)

AGENDA

AGENDA: This Agenda contains a brief general description of each item to be considered. Except as otherwise provided by law, no action shall be taken on any item not appearing in the following Agenda.

NOTICE: The public is entitled to copies of all documents that are made part of the agenda packet. If any document or other writing pertaining to an agenda item is distributed to all or a majority of the Board after the packet is prepared, a copy of that writing may be obtained by contacting the Clerk of the Board at 714-740-4141.

PUBLIC PARTICIPATION: Citizens desiring to comment on specific agenda items are requested to indicate their interest to the Executive Assistant/Clerk of the Board before the start of the meeting. At the beginning of the meeting, members of the public may address the Board of Trustees on agendized items or non-agendized items of interest that are within the subject matter jurisdiction of the Board of Trustees. A member of the public shall be allowed a period of up to three (3) minutes, or a time at the discretion of the President of the Board, to address the Board of Trustees.

ADA AGENDA NOTICE: “In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the District Office at (714) 971-2421. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting. [28 CFR Part 35]”

BOARD ACTIONS: The Board may not legally take action on any item presented at this time other than to direct staff to investigate a complaint or place an item on a future agenda unless (1) by a majority vote, the Board determines that an emergency situation exists, as defined by Government Code Section 54956.5, or (2) by a two-thirds vote, the Board determines that the need for action arose subsequent to the agenda being posted as required by Government Code Section 54954.2(b).

WEB SITE: The Agenda and Minutes are available through the Internet at www.ocvcd.org. You can access the Agenda on the Monday prior to the Board of Trustees meeting. The Minutes are approved at the next regular Board of Trustees meeting and are available online the following Monday.

1. PLEDGE OF ALLEGIANCE:

2. ROLL CALL: (If absences occur, consider whether to deem those absences excused based on facts presented for the absence—such determination shall be the permission required by law.)

PRESIDENT:	Cheryl Brothers	Fountain Valley
VICE-PRESIDENT:	James Gomez	La Habra
SECRETARY:	Doug Bailey	Cypress

Aliso Viejo	Phillip B. Tsunoda	Los Alamitos	Ken C. Parker
Anaheim	Lucille Kring	Mission Viejo	John Paul Ledesma
Brea	Roy Moore	Newport Beach	Leslie Daigle
Buena Park	Jim Dow	Orange	Denis Bilodeau
Costa Mesa	Wendy Leece	Placentia	Chad P. Wanke
Dana Point	Steven H. Weinberg	Rancho Santa Margarita	George P. Gutman
Fullerton	R. Paul Webb	San Clemente	Joe Anderson
Garden Grove	Mark Rosen	San Juan Capistrano	Laura Freese
Huntington Beach	Joe Carchio	Santa Ana	Cecilia Aguinaga
Irvine	Dr. Steven Choi	Seal Beach	Michael Levitt
Laguna Beach	Toni Iseman	Stanton	Al Ethans
Laguna Hills	Melody Carruth	Tustin	Al Murray
Laguna Niguel	Robert Ming	Villa Park	James Rheins
Laguna Woods	Milton W. Robbins	Westminster	Frank Fry, Jr.
Lake Forest	Marcia Rudolph	Yorba Linda	Jim Winder
La Palma	Larry A. Herman	County of Orange	John M. W. Moorlach

3. **PUBLIC COMMENTS:** At this time, members of the public may address the Board of Trustees regarding agenda items or items of interest that are within the subject matter jurisdiction of the Board of Trustees. Comments will be presented at the time the agenda item is addressed. Generally, the Board will not enter into a dialogue during this period.

Speakers should have a “Speaker Card” completed and presented to the Clerk of the Board prior to the start of the Board meeting.

Comments shall be limited to three minutes per person, unless different time limits are set by the President, subject to the approval of the Board.

4. **ANNOUNCEMENT OF LATE COMMUNICATIONS:**

5. **EMPLOYEE ANNIVERSARY RECOGNITION:** The Board of Trustees established a policy to recognize employees for their years of service at the December Board meetings. Employees are recognized starting at five years of service and then in five year increments. This year the District has eight employees to recognize with 25, 20, 15, 10, and 5 years of service.

- Charlie Cassidy, Vector Control Inspector III - 25 years
- Miguel Arias, Vector Control Inspector III - 20 years
- Steve Koenig, Senior Vector Control Inspector III
- Carlos Martinez, Vector Control Inspector III - 15 years
- Jerry Sims, Vector Control Inspector III - 10 years
- Simon DeLira, Maintenance Worker - 5 years
- David Miller, Vehicle Maintenance Coordinator - 5 years
- Amber Semrow, Biologist - 5 years

6. **COMMITTEE REPORTS:**

6A - **JOINT MEETING: Executive Committee/Policy & Personnel Committee:** Meeting at 1:30 p.m., December 15: Closed Session: Conference with Labor Negotiators Pursuant to Government Code Section 54957.6. Agency Designated Representatives: Michael Hearst, Kelly Price, Steve Filarsky (Attorney at Law). Employee Organization: California School Employees Association, Chapter #2002 (Item No. 12).

6B - **Budget & Finance Committee:** Meeting at 2:00 p.m., December 15: 1) Review Annual Audit for 2010-11 (Item No. 10); 2) Approve Payment to OCERS for Unfunded Actuarial Accrued Liability (UAAL) Obligation (Item No. 11).

6C - **Nominating Committee:** Update by Nominating Committee on the nomination of the 2012 officers.

*****CONSENT CALENDAR*****

- 7. **CONSENT CALENDAR – Items for Approval by General Consent:** All Consent Calendar items may be acted upon by one motion unless a Trustee requests separate action on a specific item.
 - 7A - **Approval of Minutes:** Approve without reading the Minutes of the 780th Meeting of the Board of Trustees held November 17, 2011, enclosed as a separate item with the agenda.

[Staff Contact: V. Blaylock. Phone: (714) 971-2421, Ext. 112]

 - 7B - **Accept and Approve Monthly Financial Report; and Receive and File Warrant Register:** Kelly Price, Director of Administrative Services, will be available for any questions the Board may have regarding the financial report and warrant register.
 - 7B.1 - **Monthly Financial Report:**
Recommended Action: Accept for inclusion as Exhibit I, the Orange County Vector Control District Monthly Financial Report for the period ending November 30, 2011.

 - 7B.2 - **Warrant Register:**
Recommended Action: Receive and file payment of Warrant Register (Exhibit II) dated December 15, 2011, in the amount of \$324,801.98 as presented by In-House Check Runs dated November 3, 8, 16, 22, and 29, 2011. (The financial information is enclosed as a separate item with the agenda packet.)

[Staff Contact: K. Price. Phone: (714) 971-2421, Ext. 137]

 - 7C - **Authorize Travel to Attend the 2012 AMCA 78th Annual Conference in Austin, Texas:** The 2012 American Mosquito Control Association (AMCA) 78th Annual Conference is being convened in Austin, Texas, from February 26 - March 1, 2012. This meeting will consist of presentations and exhibits that illustrate and highlight the latest science, technology, and products used to conduct research and control vectors. This meeting also provides ample opportunities to network with vector control professionals, researchers, and educators from around the world. There are seven District employees requesting to attend this conference. The 2012 Board President, or designee, may also attend this conference. The estimated cost per person for attending this conference is \$1,900. This travel has been budgeted.

(Consent Calendar continued next page)

7. CONSENT CALENDAR – Items for Approval by General Consent: (continued)

7C - Authorize Travel to Attend the 2012 AMCA 78th Annual Conference in Austin, Texas: (continued)

Recommended Action: It is the District Manager’s recommendation that the Board of Trustees authorize travel to the 2012 Annual Conference of the American Mosquito Control Association in Austin, Texas, from February 26 - March 1, 2012, for District Manager Hearst, Director of Operations Shaw, Director of Communications Dever, Public Outreach Coordinator Pett, and Director of Scientific Technical Services Cummings, Assistant Biologist Saba, one Vector Control Inspector, and the 2012 Board President, or designee; and authorize total travel expenses of \$15,200.

[Staff Contact: M. Hearst. Phone: (714) 971-2421, Ext. 115]

7D - Appointment of Trustee Representatives: The terms of office for the Trustees listed below will end on December 31, 2011. Upon directions from the Board of Trustees, correspondence was sent to the following governing bodies asking for the appointment of a representative to serve on the Board of Trustees. The District has received communications from two governing bodies to date for the appointment of a representative for the next two or four year term of office.

<u>Trustee Representative</u>		<u>Governing Body</u>	<u>Date of Communication</u>
<u>Current</u> (Term Ends 12-31-11)	<u>Appointed</u>		
Doug Bailey		Cypress	(None to date)
R. Paul Webb		Fullerton	(None to date)
Joe Carchio		Huntington Beach	(None to date)
Dr. Steven Choi		Irvine	(None to date)
Melody Carruth		Laguna Hills	(None to date)
Marcia Rudolph		Lake Forest	(None to date)
Larry A. Herman		La Palma	(None to date)
Ken C. Parker	Gerri Graham-Mejia	Los Alamitos	November 30, 2011 (2 yrs.)
John Paul Ledesma		Mission Viejo	(None to date)
Joe Anderson		San Clemente	(None to date)
Cecilia Aguinaga	Cecilia Aguinaga	Santa Ana	December 1, 2011 (2 yrs.)
James Rheins		Villa Park	(None to date)

Recommended Action: Receive and file the communications received from the cities of Los Alamitos and Santa Ana advising the Board of their appointment of a representative for the next two or four year term of office.

[Staff Contact: V. Blaylock. Phone: 714-971-2421, Ext. 112]

(Consent Calendar continued next page)

7. **CONSENT CALENDAR – Items for Approval by General Consent:** (continued)

7E - **Report of District Activities:** Enclosed with the Agenda is the Report of District Activities as submitted by staff to the Board of Trustees by separate report dated December 9, 2011.

Recommended Action: Receive and File.

[Staff Contact: V. Blaylock. Phone: (714) 971-2421, Ext. 112]

*****END OF CONSENT CALENDAR*****

8. **MANAGEMENT INFORMATION ITEMS:**

8A - **Presentation – Using Mosquito Fish as a Biological Control Agent:** Mike Saba, Biologist, will give a presentation on *Using Mosquito Fish as a Biological Control Agent*.

8B - **WNV and Typhus Disease Update:** Robert Cummings, Director of Scientific Technical Service, will give a brief update on the diseases affecting Orange County.

8C - **Other Information Items:**

9. **GRAND JURY ADDRESS TO THE BOARD OF TRUSTEES:** Two members of the Grand Jury, Stuart J. Fuller III and Frederick Gebhardt, will address the Board of Trustees on Grand Jury services in Orange County.

[Staff Contact: M. Hearst. Phone: (714) 971-2421 Ext. 129]

10. **ACCEPT BASIC FINANCIAL STATEMENTS DATED JUNE 30, 2011, MANAGEMENT COMPLIANCE LETTER, AND AUDIT COMMITTEE LETTER FOR 2010-11 ANNUAL AUDIT:** The District's contracted accounting firm, Lance, Soll & Lunghard (LSL), has completed the 2010-11 annual audit. In addition to the audited financial statements (**Exhibit A**), results are transmitted through the compliance and audit committee letters (**Exhibits B and C**). Both are composed by the auditors.

The compliance letter reports on any noncompliance issues in accordance with the *Government Auditing Standards (GAS)*. It also discusses an agency's internal controls over financial reporting. The District's compliance letter reported no material weaknesses. This is defined as significant deficiency of the financial statements that was not prevented or detected by OCVCD as a part of the internal controls. The letter also revealed that "no instances of noncompliance" were discovered or required to be reported under the *Government Auditing Standards*.

The audit committee letter discusses the auditor's responsibility, accounting policies, accounting estimates, and other general accounting topics analyzed during the audit process. The District's audit committee letter reported no unusual transactions and that the District's accounting estimates were reasonable in relation to the financial statements taken as a whole. The letter also mentioned auditors had no disagreements with management and there were no other audit findings or issues discovered.

The Budget and Finance Committee will meet at 2:00 p.m. prior to the Board meeting to review this item and present the committee's report at the Board meeting.

Recommended Action: It is the District Manager's recommendation that the Board of Trustees accept the Basic Financial Statements dated June 30, 2011 prepared by Lance, Soll & Lunghard, LLP; Management Compliance Letter; and Audit Committee Letter for 2010-11 Annual Audit.

[Staff Contact: K. Price. Phone: (714) 971-2421, Ext. 137]

11. **APPROVE PAYMENT TO ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM (OCERS) FOR UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL) OBLIGATION:** At the August 18, 2011, Board of Trustees meeting, authorization was approved to make a prepayment to OCERS for the District's UAAL, which was estimated to be approximately \$1.9 million as of August 2011. Authorization was given to staff to prepay OCERS \$1 million towards the UAAL, plus an additional \$900,000 payable to OCERS at a later date. A payment of \$1 million was paid to OCERS on September 6, 2011.

On September 21, 2011, the District received a letter from OCERS' actuary, Segal Company, stating the update of the withdrawal liability had been completed (**Exhibit D**). Segal's letter stated that the UAAL as of December 31, 2010, was \$2,381,095. The letter states "the December 31, 2010 valuation is a result of investment losses during 2010..." Segal's letter also states "OCERS had approximately \$316 million in deferred market losses that were not recognized..."

(continued next page)

11. **APPROVE PAYMENT TO ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM (OCERS) FOR UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL) OBLIGATION:** (continued)

As a result of receiving a higher than expected figure from OCERS, the District asked an independent actuary, Lou Filliger of Dempsey, Filliger & Associates to analyze the UAAL calculations of Segal. Mr. Filliger has been utilized by the District on many occasions for this exact type of analysis. Mr. Filliger determined he could not find any major deviations with the figures provided by Segal. A copy of Mr. Filliger's opinion is attached (**Exhibit E**).

The current UAAL figure owed by the District to OCERS is \$1,540,260. This figure includes the UAAL amount as of December 31, 2010, plus interest at the valuation rate of 7.75% per year from December 31, 2010 to December 19, 2011. The figure does reflect a deduction of \$1 million paid to OCERS September 6, 2011. A second letter from Segal dated December 7, 2011 (**Exhibit F**) is attached illustrating these calculations.

At the August 18, 2011 Board of Trustees meeting, a second motion was made to the item requesting prepayment (Item 8.). The second motion authorized an additional payment to OCERS of up to \$900,000 upon receipt of the true-up billing. To date, \$900,000 has not yet been paid to OCERS; therefore, the amount requiring Board approval is currently \$640,260.

Payment would be expensed from the Retirement Contingency Fund (Fund 95); current balance of the fund is \$1,460,216. A transfer in the amount of \$80,100 from the Facility Improvement Fund (Fund 60) to the Retirement Contingency Fund is requested to fund the entire outstanding amount owed to OCERS of \$1,540,260.

The Budget and Finance Committee will meet at 2:00 p.m. to discuss approval of the item.

Recommended Action:

1. It is the District Manager's recommendation that the Board of Trustees approve a transfer from the Facility Improvement Fund (Fund 60) to the Retirement Contingency Fund (Fund 95) in the amount of \$80,100.
2. It is the District Manager's recommendation that the Board of Trustees approve payment to the Orange County Employees Retirement System (OCERS) for the balance of the Unfunded Actuarial Accrued Liability (UAAL) obligation as of December 19, 2011, in the amount of \$640,260.

12. **CLOSED SESSION: CONFERENCE WITH LABOR NEGOTIATORS**

Conference with Labor Negotiators Pursuant to Government Code Section 54957.6.

Agency Designated Representatives: Michael Hearst, Kelly Price, Steve Filarsky (Attorney at Law).

Employee Organization: California School Employees Association, Chapter #2002.

13. **CLOSED SESSION: PUBLIC EMPLOYEE PERFORMANCE EVALUATION:**

Position: District Manager

Pursuant to Government Code Section 54957 the Board of Trustees will meet to discuss the evaluation of the District Manager.

14. **OPEN SESSION:** Report of Any Required Disclosures of Action in Closed Session.

15. **RECOGNITION OF OUTGOING TRUSTEES:** President Brothers will present plaques to outgoing Trustees.

Ken C. Parker, City of Los Alamitos - Term began in 2008 (4 Years)

16. **WRITTEN COMMUNICATIONS:**

17. **COMMENTS FROM THE BOARD OF TRUSTEES:** At this time, members of the Board of Trustees may comment on agenda or non-agenda matters and ask questions of or give directions to staff, provided that NO action is taken on non-agenda items unless authorized by law.

18. **OTHER BUSINESS:**

19. **ADJOURNMENT:**

**ORANGE COUNTY VECTOR CONTROL DISTRICT
MEETING CALENDAR**

MEETING	LOCATION	DATE
MVCAC 80 th Annual Conference	Hyatt Burlingame Burlingame, CA	January 29 - February 1, 2012
CSMFO Annual Conference	Disneyland Hotel Anaheim, CA	February 24 - March 2, 2012
AMCA	Hilton Austin, TX	February 26 - March 1, 2012
25 th Vertebrate Pest Conference	Portola Hotel at Monterey Bay Monterey, CA	March 5 - 8, 2012
RIFA Conference	Nashville, TN	April 16 - 19, 2012
LCC Annual Conference	San Diego Conference Center San Diego, CA	September 5 - 7, 2012
ESA Annual Conference	Knoxville, TN	November 11 - 14, 2012

- AMCA - American Mosquito Control Association
- ASTMH - American Society of Tropical Medicine and Hygiene
- CALPELRA - California Public Employees Labor Relations Association
- CalPERS - California Public Employees' Retirement System
- CDFA - California Department of Food & Agriculture
- CSDA - California Special Districts Association
- CSMFO - California Society of Municipal Financial Officers
- ERMA - Employment Risk Management Authority
- ESA - Entomological Society of America
- LCC - League of California Cities
- MVCAC - Mosquito and Vector Control Association of California
- OCERS - Orange County Employees Retirement System
- RIFA - Red Imported Fire Ant
- SOVE - Society for Vector Ecology
- SWS - Society of Wetland Scientists
- VCJPA - Vector Control Joint Powers Agency
- UTMB - University of Texas Medical Branch
- WNV - West Nile Virus