

# MINUTES OF THE 775TH MEETING

## BOARD OF TRUSTEES

Orange County Vector Control District

TIME: 3:00 P.M., June 16, 2011

PLACE: 13001 Garden Grove Blvd., Garden Grove, CA 92843

### TRUSTEES PRESENT:

Fountain Valley	Cheryl Brothers, President		
La Habra	James Gomez, Vice President		
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	San Clemente	Joe Anderson
Fullerton	R. Paul Webb	Santa Ana	Cecilia Aguinaga
Garden Grove	Mark Rosen	Seal Beach	Michael Levitt
Irvine	Dr. Steven Choi	Stanton	Al Ethans
Laguna Beach	Toni Iseman	Tustin	Al Murray
Laguna Hills	Melody Carruth	Villa Park	James Rheins
Laguna Niguel	Robert Ming	Yorba Linda	Jim Winder
Laguna Woods	Milton W. Robbins	County of Orange	John M. W. Moorlach
La Palma	Larry A. Herman		

### TRUSTEES ABSENT:

Cypress	Doug Bailey	Placentia	Chad P. Wanke
Dana Point	Steven H. Weinberg	Rancho Santa Margarita	VACANT
Huntington Beach	Joe Carchio	San Juan Capistrano	Laura Freese
Lake Forest	Marcia Rudolph	Westminster	Frank Fry, Jr.

### OTHERS PRESENT:

Michael G. Hearst, District Manager	Lawrence H. Shaw, Director of Operations
Kelly Price, Director of Administrative Services	John Newton, Vector Control Inspector II
Robert Cummings, Dir. of Scientific Technical Serv.	Julie Roma, Operations Specialist
Jared Dever, Director of Communications	Steve Koenig, Sr. Vector Control Inspector III
Amber Semrow, Biologist	John Parsons, Vector Control Inspector III
Debi Kimball, Accounting Supervisor	John Drews, Vector Control Inspector III
Alan R. Burns, District Counsel	Allyson Reinig, Vector Control Inspector III
Viki Blaylock, Executive Assistant/Clerk of the Board	Michael Dubose, Vector Control Inspector II
Justine Keller, Administrative Assistant	Robert Huff, Vector Control Inspector II

1. **Pledge of Allegiance:** President Brothers called the meeting to order at 3:00 p.m. and asked Trustee Ming to lead the Pledge of Allegiance.
2. **Roll Call:** Roll call indicated 23 Trustees present, with Trustees Iseman, Ledesma, Bilodeau, and Winder arriving shortly thereafter, making a total of 27 out of the current Board membership of 34 (Rancho Santa Margarita Vacant).
3. **Public Comments:** None.
4. **Announcement of Late Communication:** Clerk of the Board announced that the following late communication was received and distributed to the Board of Trustees, staff, and made available to the public:
  - Addendum to the Agenda: Appointment of Trustee from the City of Lake Forest (Item 7G).
5. **Trustee Iseman from the City of Laguna Beach Completed Five Years of Service:** Trustee Toni Iseman, from the City of Laguna Beach, has completed five years of service on the Board of Trustees. Trustee Iseman was appointed to the Board in June 2006, and has served on the Budget & Finance and Policy & Personnel Committees. Trustee Iseman has attended 53 of the 60 Board meetings for an 88 percent attendance record. President Brothers presented a five year service certificate to Trustee Iseman at the Board meeting.
6. **Committee Reports:**
  - 6A - **Executive Committee:** Meeting held at 2:00 p.m., June 1. President Brothers reported on the Committee's actions: 1) Discussed Authority and Accounting Procedure for Haster Business Park Lease Prepayments, and decided that since there was no criminal action, not to pursue this matter any further; 2) Discussed 2011-12 Benefit Assessments and decided that since the public has supported the Assessment by ballot, the Committee voted to support the passing of the Benefit Assessments; 3) Discussed Meeting Protocol and decided that each committee will choose when to meet.
  - 6B - **Budget & Finance Committee:** Meeting at 2:00 p.m., June 16. In the absence of Chair Bailey, President Brothers reported on the Committee's actions: 1) Approved Minutes of April 28 and May 19 Committee Meetings; 2) Accepted report on Annual Statement on Auditing Standards (SAS) No. 114, Communication Letter (Auditors Communication with Those in Charge with Governance) (Minute Item 7C); 3) Approved Resolution No. 361 Establishing Fund Balance Commitments for Vehicle

(Committee Reports continued next page)

**6. Committee Reports:** (continued)**6B - Budget & Finance Committee:** (continued)

Replacement, Liability Reserve, Equipment Replacement, Emergency Vector Control, Facility Improvement, Habitat Remediation, Environmental, Retiree Medical Insurance, and Retirement Contingency; and Policy No. 39 Fund Balance Policy (Minute Item 10); 4) Discussed Authority and Accounting Procedure for Haster Business Park Lease Prepayments. The committee would like a third party to review the history of the prepayments; 5) Discussed OCVCD Investment Options and wants further investigation of others funds to invest in and will report on this next month; 6) Discussed CalPERS and OCERS issues and will move on prepayment to OCERS next month.

**7. Consent Calendar – Items Approved by General Consent:** On motion by Trustee Herman, seconded by Trustee Carruth, and passed by unanimous vote, the Board of Trustees approved the following Consent Calendar Items, with the exception of Agenda Item 7A, which was passed by majority vote (Abstained: Trustees Rosen, Daigle, Bilodeau, and Aguinaga).

**7A - Approval of Minutes:** Approved without reading the Minutes of the 774th Meeting of the Board of Trustees held May 19, 2011.

**7B - Accepted and Approved the Monthly Financial Report; Received and Filed Warrant Register:**

**7B.1 -** Accepted and approved for inclusion as Exhibit I the Orange County Vector Control District Monthly Financial Report for the period ending May 31, 2011.

**7B.2 -** Received and filed approval of payment of Warrant Register dated June 16, 2011 (Exhibit II) in the amount of \$365,948.73 as presented by In-House Check Runs dated May 5, 10, 18, 24, and 25, 2011.

**7C - Approved Annual Statement on Auditing Standards (SAS) 114, Communication Letter (Auditors Communication with Those in Charge with Governance):**

Approved the Statement on Auditing Standards (SAS) 114 establishing standards and provides guidance on auditor's communication with those charged with governance in relation to an audit of financial statements. The attached letter (**Exhibit A**), dated April 27, 2011, is from the District's contracted accountant firm, Lance, Soll & Lundghard, LLC. The communication letter is transmitted annually to the Board of Trustees and outlines the expectations, responsibilities, and timing of the auditors.

(Consent Calendar Items continued next page)

**7. Consent Calendar – Items Approved by General Consent:** (continued)

- 7D - Approved Second Reading of : 1) Ordinance No. 3/2011, Clarifying Limits on the District Manager’s Spending Authority and Restricting Employees from Obtaining Surplus District Property; and 2) Ordinance No. 4/2011, Provide for Procedures for Committee Meetings:** Approved the second reading of Ordinance No. 3/2011, Clarifying Limits on the District Manager’s Spending Authority and Restricting Employees from Obtaining Surplus District Property (**Exhibit B**); and Ordinance No. 4/2011, Provide for Procedures for Committee Meetings (**Exhibit C**).
- 7E - Authorized Travel for District Manager Hearst to Attend the MVCAC Summer Quarterly Meeting in Visalia:** Authorized travel for District Manager Hearst to attend the Mosquito and Vector Control Association of California (MVCAC) Summer Quarterly meeting on July 21, 2011, in Visalia, California, and authorized travel expenses of \$150.
- 7F - Report of District Activities:** Received and Filed: Enclosed with the Agenda was the Report of District Activities as submitted by staff to the Board of Trustees by separate report dated June 10, 2011.
- 7G - Appointment of Trustee from the City of Lake Forest:** Accepted the correspondence, dated June 15, 2011, from the City of Lake Forest appointing Ms. Marcia Rudolph as its new Trustee representative to complete the unexpired term of Mr. Richard T. Dixon, and appointed Ms. Rudolph to serve on the Board of Trustees Operations Committee for 2011. Ms. Rudolph’s term will expire December 31, 2011.

**8. Management Information Items:**

- 8A - Lewis Storm Channel Improvements:** District Manager Hearst reported on the plans for the construction of the Lewis Storm Channel Improvements being funded by the Orange County Transportation Authority. The project will start in July or August.
- 8B - Employee Retirement:** John Parsons, Vector Control Inspector III, has announced that he will be retiring officially on July 5, 2011, after 39 years of service to the District.

**9. Conducted Public Hearings to Consider the Ordering of a Program of Services and Levy of the Assessments for Fiscal Year 2011-12 in Connection with the District’s Vector Surveillance and Control Assessment (“District No. 1 Assessment”); and the District’s Mosquito, Fire Ant and Disease Control Assessment (“District No. 2 Assessment”); and**

**Adopted Resolution No. 359 Approving an Engineer's Report and Ordering Levy of the District No. 1 Assessment (Attached as Exhibit D); and**

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9. **Public Hearings/ Adopted Resolutions 359 and 360:** (continued)

**Adopted Resolution No. 360 Approving an Engineer's Report and Ordering Levy of the District No. 2 Assessment (Attached as Exhibit E):**

**Opened Public Hearing for Assessment of District No. 1:** At 3:13 p.m. President Brothers opened the Public Hearing to consider the ordering of services and projects, and the levy of the assessments for Fiscal Year 2011-12 for the proposed continuation of the assessment of Assessment District No. 1.

**Closed Public Hearing for Assessment of District No. 1:** There being no public participation, President Brothers closed the Public Hearing at 3:13 p.m.

On motion by Trustee Kring, seconded by Trustee Moorlach, and passed by unanimous vote, the Board of Trustees adopted Resolution No. 359 (**Exhibit F**), entitled, A Resolution Approving an Engineer's Report and Confirming Assessments for Fiscal Year 2011-12 in Connection with the District's Vector Surveillance and Control Assessment ("District No. 1 Assessment").

**Opened Public Hearing for Assessment of District No. 2:** At 3:15 p.m. President Brothers opened the Public Hearing to consider the ordering of services and projects, and the levy of the assessments for Fiscal Year 2011-12 for the proposed continuation of the assessment of Assessment District No. 2.

**Closed Public Hearing for Assessment of District No. 2:** There being no public participation, President Brothers closed the Public Hearing at 3:15 p.m.

On motion by Trustee Kring, seconded by Trustee Carruth, and passed by majority roll call vote, the Board of Trustees adopted Resolution No. 360 (**Exhibit G**), entitled, A Resolution Approving an Engineer's Report and Confirming Assessments for Fiscal Year 2011-12 in Connection with the District's Mosquito, Fire Ant, and Disease Control Assessment ("District No. 2 Assessment").

AYES: Trustees Tsunoda, Kring, Moore, Leece, Brothers, Webb, Rosen, Choi, Iseman, Carruth, Robbins, Gomez, Herman, Parker, Anderson, Aguinaga, Levitt, Ethans, Rheins, and Winder.

NOES: Trustees Dow, Ming, Ledesma, Bilodeau, Murray, and Moorlach.

ABSTAINED: None.

ABSENT: Trustees Bailey, Weinberg, Carchio, Rudolph, Daigle, Wanke, Freese, and Fry (Rancho Santa Margarita Vacant).

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**9. Public Hearings/Adopted Resolutions 359 and 360: (continued)**

The assessments rate for District No. 1 for fiscal year 2011-12 is \$1.92 per single family home and will generate approximately \$1,509,144 in assessments. The assessments rate for District No. 2 for fiscal year 2011-12 is \$5.02 and will generate approximately \$4,124,774.

The table shown below depicts the historical assessment rates levied in District No. 2 and the maximum authorized rate for each fiscal year, including the rates proposed for fiscal year 2011-12. From January 2010 to January 2011, the change in the CPI was 1.80%. As a result, the maximum authorized rate for fiscal year 2011-12 is \$6.32. (The District retains the ability to levy up to the maximum authorized rate without conducting a ballot proceeding.)

**Maximum Authorized Assessment Rate and Actual Rates by Year**

FY	CPI History	Maximum Authorized % Change	Maximum Authorized Assessment Rate District #2	Actual/ Proposed Assessment Rate Levied District #2	Actual/ Proposed Assessment Revenues District #2	Actual/Proposed Assessment Revenues District #1
2004-05	N/A		\$5.42	\$5.42	\$4,306,278.44	\$1,488,269.88
2005-06	3.66%	3.00%	\$5.58	\$5.30	\$4,263,641.78	\$1,489,599.38
2006-07	5.42%	3.00%	\$5.75	\$5.25	\$4,264,508.72	\$1,501,507.06
2007-08	3.20%	3.00%	\$5.92	\$5.14	\$4,196,516.50	\$1,505,044.40
2008-09	3.92%	3.00%	\$6.10	\$5.10	\$4,180,451.00	\$1,510,567.00
2009-10	-0.90%	0.00%	\$6.10	\$5.06	\$4,162,307.23	\$1,514,335.46
2010-11	1.76%	1.76%	\$6.21	\$5.02	\$4,114,124.16	\$1,511,185.55
2011-12	1.80%	1.80%	\$6.32	\$5.02	\$4,124,774.38 <sup>(1)</sup>	\$1,509,144.21 <sup>(1)</sup>

<sup>(1)</sup>Final assessment amounts submitted to the County Auditor-Controller may be different than the preliminary amounts listed for the Engineer's Reports.

**10. Adopted Resolution No. 361 Establishing Fund Balance Commitments for Vehicle Replacement, Liability Reserve, Equipment Replacement, Emergency Vector Control, Facility Improvement, Habitat Remediation, Environmental, Retiree Medical Insurance, and Retirement Contingency; and Adopted Policy No. 39 Fund Balance Policy:** On motion by Trustee Aguinaga, seconded by Trustee Anderson, and passed by unanimous vote, the Board of Trustees adopted Resolution No. 361 (**Exhibit H**) Establishing Fund Balance Commitments for Vehicle Replacement, Liability Reserve, Equipment Replacement, Emergency Vector Control, Facility Improvement, Habitat Remediation, Environmental, Retiree Medical Insurance, and Retirement Contingency; and adopted Policy No. 39 Fund Balance Policy (**Exhibit J**).

**11. Public Participation:** None

- 12. **City of Rancho Santa Margarita Letter Regarding Reception for Gary Thompson:**  
Attached as **Exhibit K** is correspondence from the City of Rancho Santa Margarita inviting Trustees to attend a special reception to be held in honor of Council Member Gary Thompson. This event will be held on June 22, 2011, at 5:30 p.m. at the Bell Tower Regional Community Center.
  
- 13. **Adjournment:** There being no further business for the Board's consideration, President Brothers adjourned the meeting at 3:51 p.m. to the next regular meeting of the Board of Trustees on July 21, 2011.

I certify that the above Minutes substantially reflect the actions taken by the Board of Trustees at its meeting held June 16, 2011.

\_\_\_\_\_  
Michael G. Hearst, District Manager

Approved as written and/or corrected by the Board of Trustees at its \_\_\_\_\_

\_\_\_\_\_ meeting held \_\_\_\_\_

ATTEST: \_\_\_\_\_  
Secretary