

MINUTES OF THE BOARD OF DIRECTORS OF SERRANO WATER DISTRICT

The Board of Directors of the Serrano Water District met in a Regular Board Meeting on Tuesday, February 24, 2026. The meeting was held at the District Office located at 18021 Lincoln Street, Villa Park, California.

CALL TO ORDER: President Mills called the meeting to order at 8:30 a.m.

ROLL CALL:

BOARD OF DIRECTORS MEMBERS PRESENT:

Greg Mills	President
Robbie Pitts	Vice-President
Brad Reese	Board Member
Frank Bryant	Board Member
Jerry Haight	Board Member

BOARD OF DIRECTORS MEMBERS ABSENT:

None

STAFF PRESENT:

Jerry Vilander	General Manager
Jennifer Westrum	Administrative Assistant
Jeremy Jungreis	Legal Counsel
Scott Nelsen, CGFM	Starting Line Advisory <i>(via zoom platform)</i>

GUESTS PRESENT:

Ed Carter	Villa Park Community Services Foundation
Eric Handorf	Villa Park Community Services Foundation
Member of the public	<i>via zoom platform</i>

PUBLIC COMMENT

None

President Mills stated that items on the agenda were being moved out of sequence to accommodate scheduling needs.

VILLA PARK COMMUNITY SERVICES FOUNDATION SPRING INTO HEALTH 5K EVENT

Ed Carter announced that the Villa Park Community Services Foundation (VPCSF) is hosting a 5K event for the first time and they are seeking donations from the community. The VPCSF is a nonprofit organization that organizes special events in Villa Park at a minimal cost to the City and serves as the City’s Parks and Recreation Department. Eric Handorf explained that there are five levels of sponsorship: Platinum Plus at \$5,000, Platinum at \$2,500, Gold at \$1,000, Silver at \$500, and Bronze at \$250. After some discussion, President Mills made a motion to approve the Platinum level of sponsorship at \$2,500 and Director Pitts seconded the motion. The motion was approved by a unanimous vote of the Board.

The Board announced that it would enter a closed session at 8:42 a.m.

RECESS TO CLOSED SESSION

A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Government Code § 54956.9(d)(1): *Vittorio Roggero v. Serrano Water District*, Case No. 30-2025-01469424-CU-WT-CJC.

B. PUBLIC EMPLOYEE APPOINTMENT/EMPLOYMENT (General Manager)

Government Code § 54957(b)(1).

The Board resumed open session at 9:12 a.m. with no reportable action

RESOLUTION NO. 2026-02-01

APPROVING CEQA CATEGORICAL EXEMPTION PER 14 CCR § 15302 AND AUTHORIZING SWD STAFF TO: (i) CONSTRUCT SWD REPLACEMENT WELL NO. 6; (ii) CONNECT WELL NO. 6 TO SWD POTABLE SYSTEM AND ASSOCIATED WORK; (iii) DESTROY EXISTING SWD WELLS 3 AND 4; (iv) FILE CATEGORICAL EXEMPTION WITH COUNTY OF ORANGE AND STATE CLEARINGHOUSE AS REQUIRED BY CEQA.

General Manager Vilander explained that he has been working with Civiltec Engineering, Inc. designing the Well No. 6 project. The Categorical Exemption (CatEx) will have no significant environmental impact on the District, as the project involves replacing existing wells with a new well. Specifically, the District will abandon Well No. 3 and Well No. 4 and construct a new Well No. 6.

General Manager Vilander further noted that filing the Categorical Exemption pursuant to the California Environmental Quality Act (CEQA) is necessary to ensure compliance and to proceed with drilling the new well without regulatory delay.

Director Reese moved to approve Resolution No. 2026-02-01, which was seconded by Director Pitts. The motion passed unanimously with Directors Mills, Bryant, Haight, Reese, and Pitts all voting in favor.

WELL NO. 6 DRILLING CONTRACT

The Board reviewed the bids for the Well No. 6 drilling project, along with the associated bid protest documentation. Director Reese moved to reject the bid protest submitted by Best Drilling & Pump, Inc., and to award the contract for drilling SWD Well No. 6 to Southwest Pump and Drilling, Inc. Director Haight seconded the motion, which passed with Directors Bryant, Pitts, Mills, Reese, and Haight voting in favor.

METER READING CONTRACT SERVICES

General Manager Vilander reported that he explored outsourcing meter reading services to an outside company called Alexander's Contract Services, Inc. The annual cost for this is approximately \$40,000, and it would allow our skilled water operators to focus on higher-value work and repairs during the first few days of each month.

After discussion, Director Pitts made a motion to approve the contract with Alexander's Contract Services, Inc. Director Haight seconded the motion, and it unanimously carried with Directors Reese, Bryant, Mills, Pitts, and Haight all voting yes.

RATE STUDY UPDATE

General Manager Vilander reported that he is working with Attorney Jeremy Jungreis and Sanjay Gaur of Water Resources Economics on matters related to the Rate Study. He noted that a date must be scheduled for the Proposition 218 Public Hearing.

Following discussion, the Board reached consensus to schedule the Proposition 218 Public Hearing for Wednesday, May 27, 2026, at 5:00 p.m., and to schedule all other required meetings to comply with Proposition 218 rules and regulations.

CONSIDERATION OF BOARD MINUTES

The Board reviewed the minutes of the Serrano Water District Board meeting held on January 27, 2026. Director Pitts made a motion to approve the meeting minutes as presented. Director Reese seconded the motion, and the motion unanimously carried, with Directors Bryant, Mills, Pitts, Haight, and Reese voting in favor.

GENERAL MANAGER REPORT

General Manager Vilander provided an overview of Board Committee activities and management matters for the month of January. Highlights included updates on various meetings and current issues affecting the District.

General Manager Vilander announced that he will be attending the upcoming Urban Water Institute Conference with Director Reese and Director Pitts.

Mr. Vilander also noted that the SWD staff will begin replacing a minimum of 10 meters per month per employee. This will allow the District to transition to a more proactive replacement program.

FINANCIAL REPORT

Scott Nelsen of Starting Line Advisory presented the financial reports for January, noting that the target for this point in the fiscal year is 58% of the budget. Non-operating revenue is trending above target due to positive investment performance and timing of LAIF interest receipts. Non-operating expenses are trending above target due to the annual payment for the Water Quality Report in January.

A motion to approve the monthly disbursements totaling \$1,017,290.81 was made by Director Reese, seconded by Director Mills, and unanimously approved by Directors Bryant, Haight, Pitts, Reese, and Mills all voting in favor.

WATER REPORT

General Manager Vilander presented the water report for the month of January. He reported that Serrano Water District has approximately 200 acre-feet of water remaining in Irvine Lake. He noted that Well No. 5 is expected to be operational within approximately one week following the installation of the new Variable Frequency Drive (VFD) and sand separator. The Board received and filed the report.

CORRESPONDENCE

None.

DIRECTOR'S COMMENTS AND REPORTS

President Mills informed the Board that he will participate remotely in the regular monthly Board meeting scheduled for March 24, 2026, as he will be out of state.

ATTORNEY'S REPORT

Attorney Jungreis reported on a recent court ruling concerning the Delta Conveyance Project (Delta Tunnel), which is part of the State Water Project, including Feather River facilities. The Third District Court of Appeal affirmed a lower court ruling that the Department of Water Resources did not have the authority to issue revenue bonds for the project under existing law.

Although it was argued that certain components of the State Water Project were authorized prior to Proposition 13 and might not require new voter approval, the court found that the proposed Delta Fix was not legally authorized under existing pre-Proposition 13 bonds. As a result, the state cannot validate the bonds, and the California Department of Water Resources does not currently have the authorized funding necessary to move forward with the project.

ADJOURNMENT

The meeting was formally adjourned at 10:30 a.m. The next regularly scheduled Board meeting will be held on March 24, 2026, at 8:30 a.m.

Jennifer Westrum
Administrative Assistant