



*An Independent Special District
Serving Orange County Since 1947*

AGENDA

737TH MEETING

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

**APRIL 17, 2008
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
737th Meeting, April 17, 2008
Thursday, 3:00 P.M.

ITEMS

COMMITTEE MEETINGS:

⇒ None

REGULAR MEETING – 3:00 P.M.:

1. Pledge of Allegiance
2. Roll Call
3. Introduction of Visitors
4. Public Participation
5. District Manager Information Items
6. Consent Calendar Items – Items for Approval by General Consent
6A - Report of District Activities
7. Approval of Minutes
8. Accept and Approve Monthly Financial Report; and Receive and File Warrant Register
8A - Monthly Financial Report
8B - Warrant Register
9. Adopt Resolution No. 326, Authorizing Participation in the Public Agency Retirement Services (PARS) Health Care Plan (GASB 45 Funding Program) to be Administered by PARS and Union Bank of California
10. Adopt Resolution No. 327, Adopting the Annual Operating Budget for Fiscal Year 2008-09
11. Adopt Resolution No. 328, A Resolution of Intention to Levy Assessments for Fiscal Year 2008-09 for Orange County Vector Control District Vector Surveillance and Control Assessment District (District No. 1), and the Mosquito, Fire Ant and Disease Control Assessment (District No. 2), Preliminarily Approving the Engineer's Reports for District No. 1 and District No. 2 and Providing Notice of Public Hearings for District No. 1 and District No. 2
12. Approve Research Grant with the University of California, Riverside (UCR), to Study the Use of a Native Fish, the Arroyo Chub (*Gila orcutti*), for Control of Mosquitoes in Sensitive Natural Habitats
13. Approve Research Grant with the University of California, Riverside (UCR), to Study Mosquito Feeding Preferences on Four Species of Local Birds (House Finches, House Sparrows, Mourning Doves, and American Crows) at Several Locations in Orange County
14. Written Communications
15. Comments from the Board of Trustees
16. Other Business
17. 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:** To be lead by Trustee Bilodeau (Alternate: Trustee Sowards).

2. **ROLL CALL:**

Stanton	Al Ethans, President		
Cypress	Sandra Montez, Vice-President		
San Clemente	Joe Anderson, Secretary		
Aliso Viejo	Phillip B. Tsunoda	Lake Forest	Jean D. Jambon
Anaheim	Lucille Kring	La Palma	Larry A. Herman
Brea	Roy Moore	Los Alamitos	Ken C. Parker
Buena Park	Jim Dow	Mission Viejo	Gail Reavis
Costa Mesa	Wendy Leece	Newport Beach	Dr. Virginia L. Barrett
Dana Point	Wayne Rayfield	Orange	Denis Bilodeau
Fountain Valley	Cheryl Brothers	Placentia	Greg Sowards
Fullerton	Sharon Quirk	Rancho Santa Margarita	Gary Thompson
Garden Grove	Dr. Sheldon S. Singer	San Juan Capistrano	Laura Freese
Huntington Beach	Joe Carchio	Santa Ana	Fred S. Bella
Irvine	Rosemary Dugard	Seal Beach	Michael Levitt
Laguna Beach	Toni Iseman	Tustin	Lou Bone
Laguna Hills	Melody Carruth	Villa Park	Richard A. Freschi
Laguna Niguel	Joe Brown	Westminster	Frank Fry, Jr.
Laguna Woods	Dr. Robert Bouer	Yorba Linda	Jim Winder
La Habra	James Gomez	County of Orange	R. Paul Webb

3. **INTRODUCTION OF VISITORS:**

4. **PUBLIC PARTICIPATION:** 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. 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.

5. **DISTRICT MANAGER INFORMATION ITEMS:**

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

6. **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.

6A - **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 April 11, 2008.

Recommended Action: Receive and File.

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

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

7. **APPROVAL OF MINUTES:** Approve without reading the Minutes of the 736th Meeting of the Board of Trustees held March 20, 2008, enclosed as a separate item with the agenda.

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

8. **ACCEPT AND APPROVE MONTHLY FINANCIAL REPORT; AND RECEIVE AND FILE WARRANT REGISTER:** Kelly Price, Director of Administrative Services, will present the financial report and warrant register, and address any questions the Board may have regarding these reports.

8A - **Monthly Financial Report:**

Recommended Action: Accept for inclusion as Exhibit I, the Orange County Vector Control District Monthly Financial Report for the period ending March 31, 2008.

8B - **Warrant Register:**

Recommended Action: Receive and file payment of Warrant Register (Exhibit II) dated April 17, 2008, in the amount of \$412,085.00 as presented by In-House Check Runs dated March 3, 4, 11, 13, 17, 18, 27, and 31, 2008. (The financial information is enclosed as a separate item with the agenda packet.)

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

9. **ADOPT RESOLUTION NO. 326, AUTHORIZING PARTICIPATION IN THE PUBLIC AGENCY RETIREMENT SERVICES (PARS) HEALTH CARE PLAN (GASB 45 FUNDING PROGRAM) TO BE ADMINISTERED BY PARS AND UNION BANK OF CALIFORNIA:** In 2004 the Government Accounting Standards Board (GASB) issued Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pension*, otherwise known as "GASB 45". GASB 45 requires public agencies to report costs and obligations for post-employment health care and other post-employment benefits (called "OPEBs") much like the current accounting requirement to report pension obligations. The philosophy behind the rule is that the costs of OPEBs should be recognized as current cost during the working years of an employee rather than after the employee retires. The District has determined that it has an OPEB obligation. The obligation necessitated completion of an actuarial evaluation to determine the amount of unfunded liability to disclose in its financial statements and to assess funding needs.

(continued next page)

9. **ADOPT RESOLUTION NO. 326:** (continued)

In an effort to help public agencies address and manage their OPEB liability, PARS has developed the PARS Post-Retirement Health Care Plan and Trust. The program has established a multiple employer trust so that public agencies can pre-fund their OPEB liability through an irrevocable trust and contribute more funds into the trust each year to reduce future liabilities. GASB 45 requires that funds be set aside in an exclusive benefit, irrevocable trust that cannot be accessed by creditors in order to be accounted for as assets to fund the OPEB liability on the District's financial statements.

PARS is partnered with Union Bank of California to provide the trust administration and trustee and investment management services for the program. With respect to actuarial services, the District has used Demsey Filliger & Associates located in Chatsworth, California, to complete the valuation of OPEB liabilities.

Demsey Filliger & Associates has determined that the amount of actuarial liability for current and future retirees, as of July 1, 2007, is \$4,725,000. This represents the present value of all health care benefits expected to be paid by the District for its current and future retirees. The amount of actuarial liability includes benefits for approximately 28 retirees (including covered dependents), as well as approximately 50 active employees who may become eligible to retire and receive benefits in the future. It excludes employees hired after the valuation date. In theory, the actuarial liability amount represents monies the District should have already set aside to pay for future health care premiums on behalf of retirees.

The valuation also determined that the District's annual required contribution (ARC) to the program would be \$361,426. This is the amount needed each year to pay for current benefit obligations and to eliminate the current unfunded actuarial liability over a 30 year amortization period. According to GASB 45, despite the terminology of "required" contribution, this amount is merely a suggestion of what should be contributed to the program on behalf of the agency. However, through responsible financial planning the District will be able to contribute the full ARC amount every year.

In planning for this program, the District has set aside internal segregated funds under the Retirement Medical Insurance Fund for the past couple years. The current fund balance is approximately \$1.3 million. In transferring to the trust with PARS, the District will forward the entire fund balance of the internal program to PARS upon execution of the agreement. This initial asset transfer has been factored into the amounts calculated by the actuary.

(continued next page)

9. **ADOPT RESOLUTION NO. 326:** (continued)

The District has chosen to employ the services of PARS for the post-retirement health care funding trust program for several reasons. PARS is an experienced trust administrator and is not a broker. PARS is a direct trust administrative provider and has established security with its plans. The flexibility PARS allows regarding the program is an advantage. PARS has several asset allocation strategies to choose from and allows for complete tailoring of the investment approach. There are also no restrictions on leaving the trust or program and an OPEB trust to trust transfer is possible. PARS has also established a respectable customer service track record with the District.

Due to GASB 45 requirements being a fairly new standard, most agencies are just now starting to consider employing an actuary to calculate their liability. Therefore, PARS' client list of GASB 45 clients is minimal, but growing. Currently PARS supplies the GASB 45 trust program for ten agencies. Clients include City of Bakersfield, Duarte, and Hermosa Beach. Vallejo Sanitation and Flood Control is the most recent agency to employ PARS for the program.

The program shall be approved in a two step process. Step one is the approval of the attached Resolution No. 326, Authorizing Participation in the Public Agency Retirement Services (PARS) Health Care Plan (GASB 45 Funding Program) to be Administered by PARS and Union Bank of California. This document only approves the program itself. It does not approve any investment options, administrative fees, or other agreements associated with the program. The other documents attached, Agreement for Administrative Services (Exhibit A), Trust Agreement (Exhibit B), Master Plan Document (Exhibit C), and Adoption Agreement (Exhibit D) are included for reference only, along with a narrative from District Counsel explaining the purpose of each document (Exhibit E).

At the May 15, 2008 Board Meeting, the remaining documents needing approval (agreement for administrative services, trust agreement, master plan document, and adoption agreement) will be on the agenda for adoption. As requested by the Trustees at the March 20, 2008 meeting, the Budget and Finance Committee will meet prior to the May 15, 2008 meeting to discuss and recommend necessary investment choices in order to have the second step of the process approved by the Trustees.

Recommended Action: It is the District Manager's recommendation that the Board of Trustees approve Resolution No. 326, Authorizing Participation in the Public Agency Retirement Services (PARS) Health Care Plan (GASB 45 Funding Program) to be Administered by PARS and Union Bank of California (Exhibit F).

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

10. **ADOPT RESOLUTION NO. 327, ADOPTING THE ANNUAL OPERATING BUDGET FOR FISCAL YEAR 2008-09:** The proposed annual budget was distributed to Trustees at the March 20, 2008 Board meeting. On March 26, 2008, the Budget and Finance Committee met at the District office to review and discuss the proposed fiscal year 2008-09 budget. The Committee discussed the budget in detail and voted unanimously to accept the budget as presented. The motion to approve the annual budget was made by Trustee Bone and seconded by Trustee Reavis. Two budget workshops were also held for all Trustees on April 3 and 9.

Recommended Action: It is the Budget and Finance Committee's recommendation that the Board of Trustees approve the Fiscal Year 2008-09 Budget as written, and adopt by roll call vote Resolution No. 327, Adopting the Annual Operating Budget for Fiscal Year 2008-09 (Exhibit G).

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

11. **ADOPT RESOLUTION NO. 328, A RESOLUTION OF INTENTION TO LEVY ASSESSMENTS FOR FISCAL YEAR 2008-09 FOR ORANGE COUNTY VECTOR CONTROL DISTRICT VECTOR SURVEILLANCE AND CONTROL ASSESSMENT DISTRICT (DISTRICT NO. 1), AND THE MOSQUITO, FIRE ANT AND DISEASE CONTROL ASSESSMENT (DISTRICT NO. 2), PRELIMINARILY APPROVING THE ENGINEER'S REPORTS FOR DISTRICT NO. 1 AND DISTRICT NO. 2 AND PROVIDING NOTICE OF PUBLIC HEARINGS FOR DISTRICT NO. 1 AND DISTRICT NO. 2:** On March 20, 2008, with the approval of Resolution No.325, this Board directed the preparation of engineer's reports for the Orange County Vector Control District Vector Surveillance and Control Assessment District (District No. 1) and for the Mosquito, Fire Ant and Disease Control Assessment (District No. 2).

The proposed assessments for District No. 1 for fiscal year 2008-09 are \$1.92 per benefit unit. The total amount of revenues that would be generated by the assessments in fiscal year 2008-09 is approximately \$1,510,567. The assessments for District No. 1 for fiscal year 2008-09 are not proposed to increase from the rate of assessment in fiscal year 2007-08.

(continued next page)

11. **ADOPT RESOLUTION NO. 328:** (continued)

The assessments for District No. 2 included a voter approved annual increase to the maximum authorized assessment rate equal to the change in the Los Angeles Area Consumer Price Index (“CPI”), not to exceed 3% (three percent) per year without a further vote or balloting process. The change in the CPI in 2007 was 4.16%. Therefore, the maximum authorized assessment rate for fiscal year 2008-09 that could be levied without additional voter approval is \$6.10 per single family equivalent benefit unit.

The proposed assessments for District No. 2 for fiscal year 2008-09 are \$5.10 per single-family equivalent benefit unit. This represents a decrease of \$0.04 per single-family equivalent benefit unit from last year’s assessment rate. This proposed rate is also \$1.00 per single-family equivalent benefit unit below the maximum authorized assessment rate. The total amount of revenues that would be generated by the assessments in fiscal year 2008-09 at the proposed rate of \$5.10 is approximately \$4,180,451.

The following table summarizes the maximum authorized assessment rate and annual revenue from each District since fiscal year 2004-05.

FY	CPI History	Maximum Authorized % Change	Uncaptured Excess	Maximum Authorized Assessment Rate District #2	Actual Assessment Rate Levied District #2	Actual Assessment Revenues District #2	Actual 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%	0.66%	\$ 5.58	\$ 5.30	\$ 4,263,641.78	\$ 1,489,599.38
2006-07	5.42%	3.00%	3.08%	\$ 5.75	\$ 5.25	\$ 4,264,508.72	\$ 1,501,507.06
2007-08	3.16%	3.00%	3.24%	\$ 5.92	\$ 5.14	\$ 4,196,516.50	\$ 1,505,044.40
2008-09	4.16%	3.00%	4.40%	\$ 6.10	\$ 5.10		

Final assessment revenues submitted to the County Auditor, which are slightly different than the preliminary amounts listed for the Engineer’s Reports.

If the Board approves the resolution, a public hearing would be held at the three o'clock p.m., May 15, 2008. A notice of the hearing would be given by publishing a notice once, at least ten (10) days prior to the date of the hearing above specified, in both the Orange County Register and the Los Angeles Times. At this public hearing, after receiving public testimony, the Board could take final action on setting the rates of assessment and collection of the assessments for fiscal year 2008-09.

(continued next page)

11. ADOPT RESOLUTION NO. 328: (continued)

Recommended Action: It is the District Manager's recommendation that the Board adopt Resolution No. 328 (Exhibit H) entitled A Resolution of Intention to Levy Assessments for Fiscal Year 2008-09 for Orange County Vector Control District Vector Surveillance and Control Assessment District (District No. 1), and for the Mosquito, Fire Ant and Disease Control Assessment (District No. 2), Preliminarily Approving Engineer's Reports for District No. 1 (Exhibit J) and District No. 2 (Exhibit K), and providing for notice of the public hearings for the proposed continuation of the assessments for both District No. 1 and thereafter for District No. 2.

The resolution would also establish a date for a Public Hearing on the continuation of the assessments for District No. 1 and District No. 2 to be held on May 15, 2008, at the hour of three o'clock p.m. at the Orange County Vector Control District Office located at 13001 Garden Grove Blvd., Garden Grove, California, 92843.

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

- 12. APPROVE RESEARCH GRANT WITH THE UNIVERSITY OF CALIFORNIA, RIVERSIDE (UCR), TO STUDY THE USE OF A NATIVE FISH, THE ARROYO CHUB (*GILA ORCUTTI*), FOR CONTROL OF MOSQUITOES IN SENSITIVE NATURAL HABITATS:** The purpose of this study is to examine the efficacy of using a native fish, the Arroyo Chub (*Gila orcutti*), instead of non-native mosquito fish (*Gambusia affinis*) to control mosquitoes in sensitive watersheds. Mosquito fish have proven to be an effective mosquito control agent and have greatly reduced the amount of insecticide used by the District. Unfortunately, mosquito fish consume more than just mosquito larvae, and as an aggressive non-native fish can adversely impact populations of some native fishes and amphibians in the county. For example, several governmental regulatory agencies restrict their use in parts of south Orange County where steelhead trout habitats are being restored. The Arroyo Chub is a potentially viable alternative to using mosquito fish for control of mosquitoes in these restricted Orange County watersheds.

Attached, as Exhibit L, is the research proposal with the University of California, Riverside (UCR), under the direction of Dr. William Walton, to evaluate the efficacy of the Arroyo Chub to control mosquitoes in an area of the Santa Ana River Watershed. This is a joint, multi-year

(continued next page)

12. **APPROVE RESEARCH GRANT WITH THE UNIVERSITY OF CALIFORNIA, RIVERSIDE (UCR), TO STUDY THE USE OF A NATIVE FISH, THE ARROYO CHUB (*GILA ORCUTTI*), FOR CONTROL OF MOSQUITOES IN SENSITIVE NATURAL HABITATS:** (continued)

study with the Orange County Water District (OCWD). The District's portion is \$5,000 out of a total cost of \$11,242 (the difference will be paid by the OCWD). Funding of this project has been included in the 2007/08 budget.

Recommended Action: It is the District Manager's recommendation that the Board of Trustees approve Research Grant with the University of California, Riverside (UCR), to Study the Use of a Native Fish, the Arroyo Chub (*Gila Orcutti*), for Control of Mosquitoes in Sensitive Natural Habitats at a total cost of \$5,000.

[Staff Contact: R. Cummings. Phone (714) 971-2421 ext. 138]

13. **APPROVE RESEARCH GRANT WITH THE UNIVERSITY OF CALIFORNIA, RIVERSIDE (UCR), TO STUDY MOSQUITO FEEDING PREFERENCES ON FOUR SPECIES OF LOCAL BIRDS (HOUSE FINCHES, HOUSE SPARROWS, MOURNING DOVES, AND AMERICAN CROWS) AT SEVERAL LOCATIONS IN ORANGE COUNTY:** The purpose of this study is to examine the preferred feeding patterns of mosquitoes on four species of local birds (house finches, house sparrows, mourning doves, and American crows) at several locations in Orange County. Presently, it is not known which of these common bird species is most critical in the West Nile virus (WNV) transmission cycle. This study will help determine which species of bird is most likely to be involved in the mosquito-bird-mosquito-human cycle. Attached, as Exhibit M, is the research proposal with the University of California, Riverside (UCR), under the direction of Dr. Alec Gerry, to evaluate mosquito feeding preferences when presented with a choice of four different bird species. Information gained on this project will further clarify our knowledge of the most important avian reservoir for the West Nile virus. This is a multi-year study for a total cost of \$17,120. Half of the funds will be dispersed at the project's onset in fiscal year 2007-08, and the remainder will be paid at completion in fiscal year 2008-09. Funding of this project has been included in each fiscal year's budget (2007-08 and 2008-09).

Recommended Action: It is the District Manager's recommendation that the Board of Trustees approve the Research Grant with the University of California, Riverside (UCR), to Study Mosquito Feeding Preferences on Four Species of Local Birds (House Finches, House Sparrows, Mourning Doves, and American Crows) at Several Locations in Orange County, at a total cost of \$17,120.

[Staff Contact: R. Cummings. Phone (714) 971-2421 ext. 138]

14. **WRITTEN COMMUNICATION:**

15. **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 may be taken on non-agenda items unless authorized by law.

16. **OTHER BUSINESS:**

17. **ADJOURNMENT:** Next Regular Board of Trustees Meeting, May 15, 2008.

ORANGE COUNTY VECTOR CONTROL DISTRICT

MEETING CALENDAR

MEETING	LOCATION	DATE
MVCAC Spring Meeting	Hyatt Regency Monterey	May 1 - 2, 2008
AMCA 10th Annual Spring Washington Conference	The Westin Alexandria Arlington, Virginia	May 5 - 7, 2008
SOVE Annual Conference	Hilton Hotel Fort Collins, Colorado	September 28 - October 2, 2008
MVCAC Fall Meeting	Embassy Suites Lake Tahoe	October 29 - November 1, 2008
MVCAC Annual Conference	Burlingame, CA	January 23 - 29, 2009
AMCA Annual Conference	New Orleans, LA	April 5 - 9, 2009

- 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
- 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