

**MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF  
WALNUT VALLEY WATER DISTRICT**

**May 21, 2007**

**5:00 P.M. at the Offices of the District**

**DIRECTORS PRESENT:**

Ling Ling Chang, President  
E. Fred Flores  
Edwin M. Hilden  
Donald L. Nettles  
Allen L. Wu

**STAFF PRESENT:**

Timothy J. Gosney, Legal Counsel  
Michael Holmes, General Manager  
Erik Hitchman, Assistant General Manager/Chief Engineer  
Shawna Whallon, Director of Finance  
Brian Teuber, Accounting Manager  
Sandra Olson, Director of Administrative Services  
Denis Hernandez, Deputy Director of Administrative Services  
Jo Ann Angelico, Assistant Secretary  
Karen Miller, Recording Secretary

The meeting was called to order at 5:00 P.M. by Vice President Flores, immediately after which President Chang presided over the meeting.

Guests and others in attendance: Dan Horan and Joe Ruzicka, Board Members, TVMWD.

**Item 3: Communications to the Board – President Chang**

- ◆ **Written** – There was no written correspondence to present at this time.
- ◆ **Public Comment** – There was no public comment at this time.

**Item 4: Additions to Agenda – President Chang**

- ◆ There were no requests for additions to the agenda.

**Item 5: Reorder of Agenda – President Chang**

- ◆ There were no requests from staff or the Board to reorder the agenda.

**Item 6: Report of Action in Closed Session – President Chang**

- ◆ Legal counsel reported that the Board met in closed session at 4:00 P.M., prior to regular session, in accordance with Government Code Section 54956.9[b] to discuss one case regarding potential litigation. The Board was briefed on the status of the matter, but no action reportable under the Brown Act was taken.

**Item 7: Consent Calendar – President Chang**

- ◆ The Board was asked to approve the Consent Calendar, including the minutes of the Regular Board Meeting held April 17th, the April Check Register, the Community Relations/Conservation/Website Activities Report, the Operations Report, and the Engineering Project Status Report.

*Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried, to approve, receive, and file the Consent Calendar consisting of the minutes of the Regular Board Meeting held April 17, 2007, the April 2007 Check Register, the Community Relations/Conservation/ Website Activities Report, the Operations Report, and the Engineering Project Status Report. (Items 7-A-1,2,3,4,&5)*

**Item 8: Director Expense Reports**

- ◆ The Board is asked to approve, receive, and file the Board member expense reports indicating per diem requests for April meeting attendance and to review the individual reports of additional expenses incurred by the District on behalf of each Director during the month of April.

*Upon consideration thereof, it was moved by Director Wu, seconded by Director Flores and unanimously carried, to approve, receive, and file the Board member expense reports for April 2007 meeting attendance. (Item 8)*

**Item 9: Treasurer's Report – Shawna Whallon** – Financial reports were presented in accordance with Government Code Sections 5922 and 53601.

- ◆ Review of District Statement of Revenues, Expenses, and Change in Net Assets
- ◆ Review of District Statement of Net Assets
- ◆ Review of the Financial Position and Investment Portfolio for the District

*Upon consideration of the Treasurer's report, it was moved by Director Hilden, seconded by Director Flores and unanimously carried, to receive and file the April 30, 2007, District Statement of Revenues, Expenses, and Changes in Net Assets, the District Statement of Net Assets, and the Financial Position and Investment Portfolio for the District. (Item 9)*

#### Committee Chair Reports

##### Item 10: Engineering & Special Projects Committee – Director Wu

- ◆ The Board is asked to review and approve Landscape Alternative “E” for the aesthetic/landscaping treatment at the Arbor Ridge Reservoir and Pump Station.

*Upon consideration thereof, it was moved by Director Wu, seconded by Director Flores and unanimously carried, to approve Landscape Alternative “E” for the aesthetic/landscaping treatment at the Arbor Ridge Reservoir and Pump Station, Work Order 06-2995. (Item 10-A)*

- ◆ The Board is asked to approve modification of Appendix B of the Rules and Regulations to reflect the new fee structure for GIS updates as a result of system improvements for development related projects.

*Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried, to approve modification of Appendix B of the Rules and Regulations to reflect a new fee structure for GIS updates as a result of system improvements for development related projects. (Item 10-B)*

##### Item 11: Personnel Committee – Director Hilden

- ◆ The Board is asked to authorize the General Manager to execute the Employment Relations Consortium Agreement with the law firm of Liebert Cassidy Whitmore, special labor counsel, for Fiscal Year 2007-08 in the amount of \$2,292.

*Upon consideration thereof, it was moved by Director Hilden, seconded by Director Flores and unanimously carried, to authorize the General Manager to execute the Employment Relations Consortium Agreement with the law firm of Liebert Cassidy Whitmore for FY 2007-08 in the amount of \$2,292. (Item 11)*

##### Item 12: Finance Committee – Director Nettles

- ◆ The Board is asked to approve, receive, and file the District's April 2007 monthly Investment Transactions Report.

*Upon consideration thereof, it was moved by Director Nettles, seconded by Director Wu and unanimously carried, to approve, receive, and file the District's monthly Investment Transactions Report for April 2007. (Item 12-A)*

- ◆ The Board is asked to approve, receive, and file the Puente Basin Water Agency's Fiscal Year 2007-08 proposed budget in the amount of \$16,800 (with the District responsible for one-half) as approved by the Commissioners at their April 11, 2007 meeting.

*Upon consideration thereof, it was moved by Director Nettles, seconded by Director Wu and unanimously carried, to approve, receive, and file the FY 2007-08 Puente Basin Water Agency's proposed budget in the amount of \$16,800, for which the District is responsible for one-half. (Item 12-B)*

- ◆ The Board is asked to schedule a public hearing to be held during the June 19, 2007, Board meeting to receive comments regarding the District's Standby Charge Assessment. District legal counsel noted a correction to the District's standard resolution that will be presented to the Board for approval once the standby charges have been established.

*Upon consideration thereof, it was moved by Director Nettles, seconded by Director Hilden and unanimously carried, to schedule a public hearing to be held June 19, 2007, to receive comments regarding the District's Standby Charge Assessment. (Item 12-C)*

- ◆ The Board is asked to approve proposed revisions to the Employee Purchase Program Policy and Guidelines, which will help streamline the process for small reimbursements.

*Upon consideration thereof, it was moved by Director Nettles, seconded by Director Wu and unanimously carried, to approve the proposed revision to the Employee Purchase Program Policy and Guidelines. (Item 12-D)*

**Item 13: Public Information and Community Relations Committee – President Chang**

- ◆ The Board is asked to authorize renewal of the District's membership with the California Urban Water Conservation Council in the amount of \$1,751.09 payable by the District. The total amount requested was \$3,502.19, of which MWD paid \$1,750.10 on the District's behalf.

*Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried, to authorize renewal of the District's membership with the California Urban Water Conservation Council in the amount of \$1,751.09. (Item 13-A)*

- ◆ The Board is asked to consider an increase in the amount of the savings bonds awarded to each of the District's High School Essay Contest winners by an additional \$100 beginning next fiscal year for a total increase in cost to the District of \$200.

*Upon consideration thereof, it was moved by Director Nettles, seconded by Director Hilden and unanimously carried, to increase the savings bonds award to each of the District's High School Essay Contest winners by an additional \$100. (Item 13-B)*

**Item 14: Legislative Action Committee – Director Hilden**

- ◆ The Board is asked to adopt Resolution No. 5-07-528 in support of HR 123, a bill proposed by Congressman Dreier to increase the fiscal authorization of the San Gabriel Basin Restoration Fund from \$85 million to \$135 million.

*Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu and unanimously carried, to adopt Resolution No. 5-07-528, attached hereto as Exhibit "A," in support of HR 123 (Dreier) to increase the fiscal authorization of the San Gabriel Basin Restoration Fund from \$85 million to \$135 million. (Item 14-A)*

- ◆ The Board is asked to consider taking a "support" position for three ACWA-sponsored bills, i.e. AB 1260 (Caballero), AB 1250 (Parra), and SB 1029 (Ducheny).

*Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu and unanimously carried, to support ACWA-sponsored legislation AB 1260, AB 1250, and SB 1029. (Items 14-B-1,2,&3)*

- ◆ The Board is asked to establish a position to "oppose" SB 201 (Florez), a bill that would mandate testing for recycled water and call into question its beneficial uses.

*Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu and unanimously carried, to oppose SB 201 (Florez), a bill that would mandate testing for recycled water. (Item 14-C)*

- ◆ The Board is asked to establish a position to "oppose" AB 503 (Swanson), a bill pertaining to public agency overtime scheduling.

*Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu and unanimously carried, to oppose AB 503 (Swanson), a bill pertaining to public agency overtime scheduling. (Item 14-D)*

**Other Items****Item 15: TVMWD/MWD – Director Hilden**

- ◆ Director Hilden deferred to Mr. Holmes who noted TVMWD will hold their current rates until January 1, 2008, at which time the new rates will go into effect along with those of MWD for the ensuing calendar year. Mr. Ruzicka added that the FY 2007-08 TVMWD budget was also adopted, additionally noting that TVMWD is listening more closely to their member agencies as to rate increases, thus moving in the right direction.

**Item 16: The P-W-R Joint Water Line Commission – Director Hilden**

- ◆ Director Hilden noted the items included in the Board packet, specifically the Water Usage Report for the month of April.

**Item 17: Puente Basin Water Agency – Director Nettles**

- ◆ There was no meeting to report on at this time.

**Item 18: General Manager Oral Report – Mike Holmes**

- ◆ Mr. Holmes thanked Mr. Hernandez for coordinating the MWD Solar Boat program this year, in which Diamond Bar High School took first place for the second year in a row. Mr. Hernandez then added that there is really a spirit of cooperation among all of the teams, including the sharing of information among the participants. Mr. Holmes also reported on Board members and staffs' attendance at the Chinese American Association event on May 20th. Mrs. Olson then discussed her attendance at the Pomona Unified School District Awards Recognition Ceremony, during which the District was recognized for its Solar Cup sponsorship and was presented with certificates from various legislators in the area.

**Item 19: Directors' Oral Reports**

- ◆ Director Wu reported on his attendance at the PBWA meeting on April 11, the TVMWD Colorado River Tour from April 27-29, thanked District staff for working with the local residents and the engineering firm to resolve the landscape issues at the Arbor Ridge Reservoir site, and he provided staff with the City of Walnut's proclamation recognizing May as Water Awareness Month.
- ◆ Director Nettles reported on his attendance at the Diamond Valley Lake one-day fact finding tour.
- ◆ Director Hilden reported on his March 1-2 CSDA Board Member Training.
- ◆ Director Flores had nothing to report.
- ◆ President Chang reported on her attendance at the CSDA Governance Foundation on April 13 and the LAFCO meeting on April 23.

**Item 20: Board of Directors Business – President Chang**

- ◆ The Board is asked to authorize execution of the Special District LAFCO Representative Alternate Ballot to reconfirm the District's vote be cast for Joseph T. Ruzicka of TVMWD in order to resolve a tie between Mr. Ruzicka and Mr. Robert Apodaca of Central Basin MWD, and to authorize approval of the proposed LAFCO Rules for Election of Special District Commissioners and their Alternates.

*Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried, to authorize execution of the Special District LAFCO Representative Alternate Ballot to reconfirm the District's vote be cast for Joseph T. Ruzicka of TVMWD for Special District LAFCO Alternate Representative and authorize approval of LAFCO Rules for Election of Special District Commissioners and their Alternates. (Item 20-A-1&2)*

- ◆ The Board is asked to review the proposed revisions to the California Urban Water Conservation Council's Best Management Practices (BMP) and authorize the General Manager to vote "Yes" on BMP 10 and "No" on BMP 11 revisions by faxing a completed ballot to the Council before noon on Tuesday, June 12.

*Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried, to authorize the General Manager to submit a completed ballot via facsimile to the California Urban Water Conservation Council, voting "Yes" on BMP 10 and "No" on BMP 11, before noon on Tuesday, June 12, 2007. (Items 20-B-1&2)*

- ◆ The Board is asked to consider approval of the District's Organizational Chart, Chart of Positions, and Employee Salary Ranges as a prelude to adoption of the Fiscal Year 2007-08 Budget.

*Upon consideration thereof, it was moved by Director Wu, seconded by Director Nettles and unanimously carried, to approve the District's Organizational Chart, Chart of Positions, and Employee Salary Ranges, incorporating a reduction of two full-time positions from FY 2006-07, reclassification of three positions, and one salary range adjustment. (Item 20-C)*

- ◆ The Board is asked to consider approval of items pertaining to the District's Fiscal Year 2007-08 Budget, effective July 1, 2007, to June 30, 2008, consisting of the Operations & Maintenance Budget in the amount of \$26,395,946, the Revenue Budget in the amount of \$26,654,348, and the Capital Investment Program Budget in the amount of \$12,549,955.

*Upon consideration thereof, it was moved by Director Chang, seconded by Director Hilden and unanimously carried, to approve the FY 2007-08 Operations & Maintenance, Revenue, and Capital Investment Program Budgets. (Item 20-D)*

**Item 21: Legal Reports**

- ◆ Legal counsel reported on legislative matters of importance to the District.
- ◆ Regarding upcoming District elections in Divisions I, IV, and V, legal counsel requested the Board choose whether or not to have candidates, as in the past, pay statement printing, handling, and mailing costs at the time of filing, and to limit statements to 200 words.

*Upon consideration thereof, it was moved by Director Nettles, seconded by Director Flores and unanimously carried, to direct candidates, as in the past, to pay candidate statement printing, handling, and mailing costs at the time of filing, and to limit statements to 200 words. (Item 21-B)*

**Item 22: Activities Calendar Review – Mike Holmes**

- ◆ Mr. Holmes noted the May/June/July 2007 calendars as provided in the Board book, after which Mrs. Olson discussed the Poster and Essay Contest Award Ceremony at 3:30 P.M. on Wednesday and the District-hosted Chamber of Commerce mixer on Thursday at 5:30 P.M.

**Item 23: Subjects for Future Meetings**

- ◆ There were no items for future discussion presented at this time.

**Adjournment at 6:20 P.M. in memory of the victims at Virginia Tech. University and in memory of Mrs. Linda Gunn, wife of former Board member, Dr. Ken Gunn.**