

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

**June 23, 2008
At the Offices of the District**

DIRECTORS PRESENT:

Ling Ling Chang
Theodore L. Ebenkamp
Edwin M. Hilden
Scarlet Kwong

DIRECTORS ABSENT:

Allen Wu (Excused)

STAFF PRESENT:

H. Jess Senecal, Legal Counsel
Michael Holmes, General Manager
Erik Hitchman, Assistant General Manager/Chief Engineer
Shawna Whallon, Director of Finance
Brian Tueber, Deputy Director of Finance
Jose Martinez, Administrative Analyst
Jo Ann Angelico, Assistant Secretary

The meeting was called to order at 6:00 p.m. with Vice-President Hilden presiding.

Guests and others in attendance: Director Joe Ruzicka, Three Valleys Municipal Water District; Mr. Andy Sells, ACWA/JPIA Chief Financial and Operations Officer; Ms. Beatrice Madina, Analyst, and Ms. Gladys Medina, Project Manager, for MuniFinancial.

Item 3: Communications to the Board – Vice-President Hilden

- ◆ Written communications received at the District were duly noted.
- ◆ There were no public comments.

Item 4: Additions to Agenda – Vice-President Hilden

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

Item 5: Reorder of Agenda – Vice-President Hilden

- ◆ There were no requests to reorder the agenda.

Item 6: Public Hearing – Standby Charges for Fiscal Year 2008-09 – Vice-President Hilden

- ◆ Vice President Hilden opened the meeting to a public hearing to receive comments regarding the District's Water Standby Charge Report prepared by MuniFinancial and the proposed resolution establishing water standby charges for submittal to the Los Angeles County Auditor Controller. The General Manager commented briefly on the purpose of the hearing, noting that all publication requirements had been met, and invited comments. There being none, the public hearing was closed.

Upon consideration thereof, it was moved by Director Chang, seconded by Director Ebenkamp and unanimously carried to receive and file the Water Standby Charge Report prepared by MuniFinancial. (Item 6-D)

It was then moved by Director Chang, seconded by Director Ebenkamp and unanimously carried to adopt Resolution No. 06-08-540, establishing the District's Water Standby Charges for fiscal year 2008-09 for submittal to the Los Angeles County Auditor Controller. (Item 6-F)

Item 7: JPIA Member Benefits Presentation

- ◆ Mr. Andy Sells, JPIA Chief Financial and Operations Officer, gave a Power Point presentation of the ACWA Joint Powers Insurance Authority's (JPIA) member benefits. He explained how the JPIA was originated and how it operates. He also reviewed some of the benefits and services afforded to its members. Mr. Sells mentioned the on-line availability of AB 1234 ethics training and sexual harassment training through the JPIA Target Safety program.

Item 8: Consent Calendar

- ◆ The Board is asked to approve the Consent Calendar, including the minutes of the Regular meeting held May 19, minutes of the special Board meeting held June 6, the May 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 Chang, seconded by Director Ebenkamp and unanimously carried, to receive, approve, and file the Consent Calendar consisting of the minutes of the Regular Board Meeting held May 19 and the Special Board Meeting held June 6; the May Check Register; the Community Relations/Conservation/Website Activities Report; the Operations Report; and the Engineering Project Status Report. (Items 8-1, 2, 3, 4, 5, & 6)

Item 9: Director Expense Reports

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

Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Chang and unanimously carried, to receive, approve, and file the Board member expense reports for meeting attendance. (Item 9)

Item 10: 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 for May 2008
- ◆ Review of District Statement of Net Assets for May 2008
- ◆ Review of the Financial Position and Investment Portfolio for the District

Upon consideration of the Treasurer's report, it was moved by Director Ebenkamp, seconded by Director Chang and unanimously carried, to receive and file the District Statement of Revenues, Expenses, and Change in Net Assets and the District Statement of Net Assets for May 2008 and the Financial Position and Investment Portfolio for the District. (Items 10-1, 2, & 3)

Committee Chair Reports**Item 11: Engineering & Special Projects Committee – Director Hilden**

- ◆ The Board is asked to receive and file the Puente Basin Watermaster 2008-09 Operating Safe Yield Determination report. It was noted that the District's share of the 2008-09 Operating Safe Yield Determination is 373.5 acre-feet.

Upon consideration thereof, it was moved by Director Chang, seconded by Director Ebenkamp and unanimously carried, to receive and file the Puente Basin Watermaster 2008-09 Operating Safe Yield Determination report. (Item 11)

Item 12: Personnel Committee – Director Hilden

- ◆ The Board is asked to adopt Resolution No. 06-08-542 authorizing an amendment to the District's contract with CalPERS to provide Class 3 Benefits, effective June 24, 2008, as follows: \$5,000 Retired Death Benefit (Section 21623.5); Improved Nonindustrial Disability Allowance (Section 21427); and Partial Service Retirement (Section 21118). As discussed and noted in the staff report, these added benefits are at "no cost" to the District.

Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Chang and unanimously carried, to adopt Resolution No. 06-08-542 authorizing an amendment to the District's contract with CalPERS to provide the following Class 3 Benefits, effective June 24, 2008: \$5,000 Retired Death Benefit, Improved Nonindustrial Disability Allowance, and Partial Service Retirement. (Item 12-A)

- ◆ The Board is asked to accept the dental insurance increases as proposed by ACWA for the period of July 1, 2008, through December 31, 2009, and pass through the costs to the employees in conjunction with the monthly health benefit allotment as provided for in the interim Terms and Conditions of Employment.

Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Chang and unanimously carried, to accept the dental insurance increases as proposed by ACWA for the period of July 1, 2008, through December 31, 2009, and pass through the costs to the employees in conjunction with the monthly health benefit allotment as provided for in the interim Terms and Conditions of Employment. (Item 12-B)

- ◆ The Board had an opportunity to review draft amendments to the District's Bylaws as a preliminary step to modifying them to conform to the proposed consolidation of the Public Information/Community Relations and Legislative Action committees. Noting the lengthy process for amending the District's Bylaws as they must be approved by the Los Angeles County Board of Supervisors, the Board was asked to advise staff of any suggestions they might have for further modification as soon as possible to allow time for Legal Counsel and final committee review before presenting to the Board for approval in July. No action was taken at this time.

Item 13: Finance Committee – Director Ebenkamp

- ◆ After Ms. Whallon provided a review, the Board was asked to receive, approve, and file the May 2008 monthly Investment Transactions Report.

Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Kwong and unanimously carried, to receive, approve, and file the monthly Investment Transactions Report for May 2008. (Item 13-A)

- ◆ The Board is asked to declare three vehicles as surplus property for sale through an auction firm in accordance with District procedures. A new full-size truck with a custom utility bed would replace a 21-year old truck (vehicle no. 80) and two additional pick-up trucks are budgeted for fiscal year 2008-09 to replace high mileage trucks (vehicle nos. 93 and 97) that are fully depreciated.

Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Kwong and unanimously carried to declare vehicle nos. 80, 93, and 97 as surplus property for sale through an auction firm in accordance with District procedures. (Item 13-B)

- ◆ The Board is asked to adopt Resolution No. 06-08-541 Authorizing Positions to ‘Open and Close’ Bank Accounts. It was noted that, with the establishment of new accounts with East West Bank, it is recommended that the District designate authority for opening and closing accounts, requiring the signature of both the General Manager and the District Treasurer. It was noted that during the Committee review Director Ebenkamp had requested that the draft resolution be modified to stipulate that the Board be apprised of any account changes that are made.

Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Chang and unanimously carried, to adopt Resolution No. 06-08-541 Authorizing Positions to Open and Close Bank Accounts as modified to include notification to the Board of any changes to the accounts. (Item 13-C)

Item 14: Public Information and Community Relations Committee – Director Chang

- ◆ The Board received a brief overview of proposed enhancements to the District’s website. The Board was provided with a link to view the website at their leisure and asked to provide their comments and/or suggestions for improvement to staff. No action was requested at this time.

Item 15: Legislative Action Committee – Director Hilden

- ◆ The Board discussed AB 885 (Calderon), Metropolitan Water District Act, a bill that would authorize MWD member agencies to appoint an alternate board representative(s) to serve in the absence of the MWD member agency’s primary board representative. Staff recommended sending a letter in support of this legislation and the Board instructed the General Manager to follow-up at his discretion.

Other Items

Item 16: TVMWD/MWD – Director Hilden

- ◆ Director Hilden gave a brief report on recent TVMWD activities and Mr. Hitchman advised of a potential local project to bring in alternate water supplies that might be available to Walnut and Rowland through an interconnection.

Item 17: 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 May.

Item 18: Puente Basin Water Agency – Directors Ebenkamp/Chang

- ◆ There was nothing to report on the Puente Basin Water Agency.

Item 19: General Manager Oral Report – Mike Holmes

- ◆ The General Manager reported on a light pole at the District that had been hit, advising that staff was in the process of having it replaced. It was a “hit-and-run” incident and, if the vehicle license number can be identified from the videotaping, a claim will be filed. He also called attention to the improvements that had been made to the front lobby and advised that the customer service employees are now wearing name badges, with their first names only, in an effort to make the area more customer-friendly. He then noted that the student interns started their summer work program with the District today. Director Ebenkamp mentioned that Rowland has a career day and encouraged the District’s participation. Staff advised that the District does participate in several high school career day programs.

Item 20: Directors’ Oral Reports

- ◆ Director Chang reported on a meeting she had with the General Manager and Deputy Director of Finance regarding some questions she had pertaining to the Terms and Conditions of Employment. She also noted her attendance at the AWWA Annual Conference in June and her participation as a member in the AWWA Public Officials program. She then reiterated how impressed she was with the reformatting of the budget.

- ◆ Director Ebenkamp reported on his attendance at the Solar Cup Event at Lake Skinner. He also noted his attendance at the AWWA Annual Conference in June, noting that a DVD of the conference would soon be available.
- ◆ Director Hilden reported on his attendance at the TVMWD Leadership Breakfast on June 5 and the Chamber Governmental Affairs Committee meeting on June 12.
- ◆ Director Kwong attended no meetings reportable under AB 1234.

Item 21: Legal Reports

- ◆ Legal Counsel expanded on the JPIA member benefits presentation provided earlier in the meeting, stating that Directors appointed to the Puente Basin Water Agency and Joint Water Line Commission receive the same JPIA insurance protection.

Item 22: Activities Calendar Review – Mike Holmes

- ◆ Mr. Holmes noted the June, July, and August 2008 calendars as previously provided.

Item 23: Subjects for Future Meetings

- ◆ Director Ebenkamp requested that the mileage reimbursement policy be revisited to consider changing the 20 miles from the District limit to allow mileage reimbursement for company business outside District boundaries in light of the current escalating gas prices. This item was accepted and will be placed on the Personnel Committee agenda for discussion in July.

Item 24: Board of Directors Business

- ◆ Regarding consideration of the proposals submitted for the Headquarters Facility Architectural Services, staff recommended that this matter be referred back to the ad hoc committee to review the architects' responses to the request for more defined costs. Staff will check with the Building Ad Hoc Committee members, President Wu and Director Ebenkamp, to schedule a meeting in the near future.

Item 25-26: Closed Session – 7:45 P.M.

- ◆ The Board met in closed session in accordance with Government Code Section 54956.9[a] to discuss one case of pending litigation, Karen Powers v. Walnut Valley Water District and Does 1-25, Case No. KC052479R.

Item 27: Report of Action in Closed Session at 7:53 P.M.

- ◆ Upon reconvening in open session, Mr. Senecal reported that the Board met in closed session in accordance with Government Code Section 54956.9[a]. The Board was briefed by Legal Counsel on the status of litigation and no action reportable under the Brown Act was taken.

Adjournment at 7:54 P.M.