

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

**July 20, 2009  
At the Offices of the District**

**DIRECTORS PRESENT:**

Edwin M. Hilden, President  
Ling Ling Chang  
Theodore L. Ebenkamp  
Scarlett Kwong  
Allen L. Wu

**STAFF PRESENT:**

Timothy J. Gosney, Legal Counsel  
Michael Holmes, General Manager  
Erik Hitchman, Assistant General Manager/Chief Engineer  
Sandra Olson, Director of Administrative Services  
Brian Teuber, Director of Finance  
Jo Ann Angelico, Assistant Secretary

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

Guests and others in attendance: Directors David DeJesus, Dan Horan, and Joe Ruzicka of the Three Valleys Municipal Water District; Mrs. Barbara Carrera, District resident

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

- ◆ Mr. Dan Horan, a member of the TVMWD Board of Directors, presented a certificate to the District in recognition of its contribution to the construction and operation of the Joint Water Line, which has been in operation for more than 50 years.
- ◆ There were no requests to make public comment

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

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

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

- ◆ There were no requests for reorder of the agenda.

**Item 6: Consent Calendar**

- ◆ The Board was asked to approve the Consent Calendar, including the minutes of the Regular Board Meeting held June 22, 2009; the July 2009 check register; the Community Relations/Website Activities Report; the Operations Report; and the Engineering Project Status Report. Director Ebenkamp asked that a correction be made to the June 22, 2009, Minutes under Item 18, "Directors' Oral Reports," to note he had reported on his attendance at the AWWA conference.

*Upon consideration thereof, it was moved by Director Chang, seconded by Director Wu and unanimously carried, to receive, approve, and file the Consent Calendar consisting of the minutes of the Regular Board Meeting held June 22, 2009, with the correction as requested by Director Ebenkamp under Item 18; the July 2009 Check Register; the Community Relations/Website Activities Report; the Operations Report; and the Engineering Project Status Report. (Items 6-1, 2, 3, 4, & 5)*

**Item 7: Director Expense Reports**

- ◆ The Board was 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 Wu and unanimously carried, to receive, approve, and file the Board member expense reports for meeting attendance. (Item 7)*

**Item 8: Treasurer's Report – Brian Teuber**

- ◆ Mr. Teuber presented the Summary of Cash and Investments as of June 30, 2009. He noted that, due to the fiscal year-end and the timing of the financial system implementation, the District's Statement of Revenues, Expenses, and Change in Net Assets and the Statement of Net Assets will be presented at the August Board meeting.

*Upon consideration of the Treasurer's report, it was moved by Director Ebenkamp, seconded by Director Wu and unanimously carried, to receive and file the Summary of Cash and Investments as of June 30, 2009. (Item 8)*

**Committee Chair Reports**

**Item 9: Engineering & Special Projects Committee – Director Wu**

- ◆ Other than those items related to Engineering in the General Manager's 2008-09 Work Plan and proposed 2009-10 Work Plan, to be reviewed under Board Business, there were no Engineering Committee matters to report.

**Item 10: Personnel Committee – President Hilden**

- ◆ Other than those items related to Personnel in the General Manager's 2008-09 Work Plan and proposed 2009-10 Work Plan, to be reviewed under Board Business, there were no Personnel Committee matters to report.

**Item 11: Finance Committee – Director Kwong**

- ◆ The Board was asked to receive, approve, and file the June 2009 monthly Investment Transactions Report.

*Upon consideration thereof, it was moved by Director Wu, seconded by Director Chang and unanimously carried, to receive, approve, and file the monthly Investment Transactions Report for June 2009. (Item 11-A)*

- ◆ The Board was asked to receive, approve, and file the Portfolio Holdings Report as of June 30, 2009

*Upon consideration thereof, it was moved by Director Kwong, seconded by Director Wu and unanimously carried, to receive, approve, and file the Portfolio Holdings Report as of June 30, 2009. (Item 11-B)*

- ◆ The Board was asked to consider approval of Resolution No. 07-09-551 Establishing Water Standby Charges for submittal to the Los Angeles County Auditor Controller.

*Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and unanimously carried, to adopt Resolution No. 07-09-551 Establishing Water Standby Charges for submittal to the Los Angeles County Auditor Controller. (Item 11-C)*

- ◆ The Board was asked to consider adoption of Resolution No. 07-09-552, the annual statement of the District's Investment Policy, replacing Resolution No. 07-08-543. Staff pointed out the two minor revisions included in the resolution that were suggested by the District's Legal Counsel.

*Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and unanimously carried, to adopt Resolution No. 07-09-552, the annual statement of the District's Investment Policy, replacing Resolution No. 07-08-543. (Item 11-D)*

- ◆ The Board was asked to extend the effective dates for the current Wholesale Potable Water Rate from July 1, 2009 to August 31, 2009. It was noted that MWD and TVMWD rates would change September 1, 2009, affecting the District's Wholesale Potable Water Rate, and that a Finance Committee meeting has been scheduled for August 19 to consider the District's Wholesale Potable Water Rate with those adjustments.

*Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and unanimously carried, to extend the effective dates for the District's current Wholesale Potable Water Rate (\$621 per acre-foot for Tier I and \$737 per acre-foot for Tier II) from July 1, 2009 to August 31, 2009. (Item 11-E)*

- ◆ The Board was asked to reject and refer to the JPIA for handling a claim submitted by Ms. Grace Ying Zhang for damages sustained during an accident involving a District vehicle.

*Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Chang and unanimously carried, to reject the claim submitted by Ms. Grace Ying Zhang for damages sustained during an accident involving a District vehicle and forward the claim to the JPIA for further investigation and processing. (Item 11-F)*

- ◆ The Board received information regarding a special audit that Diehl, Evans & Company has been asked to perform to evaluate the transition from the former Director of Finance to the new Director of Finance. Mr. Holmes emphasized that no improprieties are even remotely suspected and that this is being done as a prudent step to ensure the financial integrity of the District. A report of the special audit will be presented to the Finance Committee upon completion. (Item 11-G)

**Item 12: Public Information/Community Relations/Legislative Action – Director Chang**

- ◆ The Board received an update on the District's Conservation Outreach Program efforts to promote water conservation throughout the District. (Item 12-A)
- ◆ Mr. Holmes provided an update on current legislative efforts pertaining to the Delta. Mr. DeJesus reviewed MWD's activities in this regard and advised that MWD has been invited to present its "Delta Solution" package in Sacramento.

**Other Items****Item 13: TVMWD/MWD – President Hilden**

- ◆ President Hilden referred to the TVMWD Board meeting Action Line Reports included in the Board packet and asked Mr. DeJesus to comment further on the various items considered at those meetings, which he did.

**Item 14: The P-W-R Joint Water Line Commission – President Hilden**

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

**Item 15: Puente Basin Water Agency – Directors Ebenkamp/Chang**

- ◆ Director Ebenkamp advised that the Puente Basin Water Agency did not meet in June and, therefore, had no report.

**Item 16: General Manager Report – Mike Holmes**

- ◆ The General Manager had nothing to report.

**Item 17: Directors' Oral Reports**

(NOTE: Board meeting Minutes provide written reports of Board meeting activities and committee meeting reports are given during the course of regular Board meeting activities)

- ◆ Director Wu noted his attendance at the District's June 4 Special Board meeting, Finance and Engineering Committee meetings, and the regular Board meeting on June 22. He also reported on his attendance at the Diamond Bar Chinese-American Association event.
- ◆ Director Ebenkamp noted his attendance at the District's June 4 Special Board meeting, Public Information/Legislative and Personnel committee meetings, and regular Board meeting, as well as the TVMWD Leadership Breakfast Meeting. He also reported on his attendance at the Regional Chamber Government Affairs Committee meeting, at which two bills related to water were discussed, AB 1366 and SB 407, which are supported by the Chamber.
- ◆ Director Hilden reported on his attendance at the Diamond Bar Chinese-American Association event.
- ◆ Director Kwong noted her attendance at the District's June 4 Special Board meeting, Finance Committee meeting, and regular Board meeting. She also mentioned her attendance at the PWR Commission meeting and reported on her attendance at the MWD Community Leaders Breakfast meeting.
- ◆ Director Chang noted that reports for the District Board and Committee meetings she had attended were provided in the meeting minutes or during committee reports to the Board. She also reported on the Public Officials discussion held at the AWWA Annual Conference.

**Item 18: Board of Directors Business**

- ◆ The Directors were asked if there was any interest in submitting a nominee for President or Vice President of ACWA. Staff advised that, should any of the Directors wish to serve, it would be necessary to adopt a resolution in support of the District's nominee. The Board members had no interest in being considered for nomination to the office of President or Vice President of ACWA and, therefore, no action was required for this item. (Item 18-A)
- ◆ The Board was provided with an "Election Information Statement" that staff proposed to include on the District's Website from July 21 to August 7, 2009, as has been done in the past. The Board concurred with staff's recommendation and asked that a link to information regarding the responsibilities of District Board members be included with the statement. (Item 18-B-1)
- ◆ The Board received a November 3, 2009, General Election Calendar of Events as provided by the Registrar-Recorder. (Item 18-B-2)
- ◆ The Board received a verbal update on the status of the rate study currently underway. They were advised that staff had provided the consultant with the information they had requested. The data will be analyzed and a preliminary report prepared, which will be presented to the Board for review, hopefully, in September. (Item 18-C)
- ◆ The Board was asked to review, comment, receive, and file the final update of the General Manager's FY 2008-09 Work Plan.
- ◆ The Board was also asked to review, comment, receive, and file the proposed General Manager's FY 2009-10 Work Plan. Director Kwong asked about the budget for the administrative facilities project and Mr. Holmes advised a budget has been set aside for this project for many years. He said the ad hoc committee has met and the Board would be provided with a progress report in the near future.

*Upon consideration thereof, it was moved by Director Wu, seconded by Director Ebenkamp and unanimously carried, to receive and file the General Manager's FY 2008-09 Work Plan final update and the FY 2009-10 Proposed Work Plan as presented. (Item 18-D&E)*

**Item 19: Legal Reports**

- ◆ Mr. Gosney noted two items of interest before the legislature that were not previously mentioned: 1) SB 407 related to plumbing retrofitting, and 2) AB 300, which would provide incentives to developers to install conservation fixtures.
- ◆ Mr. Gosney then provided a report on the Butte Environmental Council, et al. v. California Department of Water Resources, et al., Alameda County Superior Court Case No.: RG09-446708, a class action related to Drought Water Bank. He noted that a hearing has been scheduled for August 17 to consider motions for dismissal that were filed and that District Legal Counsel will participate in that hearing by telephone.

**Item 20: Activities Calendar Review – Mike Holmes**

- ◆ Mr. Holmes noted two items of particular interest, the barbecue on July 22 and the August 19 Finance Committee meeting.

**Item 21: Subjects for Future Meetings**

- ◆ Director Wu suggested that Mr. Gosney be designated as the District's legal representative to attend all Board meetings.

**Item 22: Adjourn to Closed Session – 7:04 P.M.**

- ◆ President Hilden thanked the guests for attending and adjourned to Closed Session.

**Item 23: Closed Session – 7:27 P.M.**

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

**Item 24: Reconvene in Open Session/Report of Action Taken in Closed Session – 7:50 P.M.**

- ◆ The Board met in closed session pursuant to Government Code §54956.9[a] to review one case of pending litigation, Karen Powers v. Walnut Valley Water District and Does 1-25, Los Angeles Superior Court Case No. KC052479R. The Board was briefed on the current circumstances. No action reportable under the Brown Act was taken.

**Adjournment at 7:51 P.M.**