

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

**September 22, 2009
At the Offices of the District**

DIRECTORS PRESENT:

Ling Ling Chang
Theodore L. Ebenkamp
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

DIRECTORS ABSENT:

Edwin M. Hilden
Scarlett Kwong

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

Guests and others in attendance: Director Joe Ruzicka of the Three Valleys Municipal Water District; Mrs. Barbara Carrera, Director-elect, Division III; Mr. Ted Carrera, District customer; Mr. John Rowe, Montefino Home Owners Association

Item 3: Public Comment – Vice President Ebenkamp

- ◆ There were no requests to make public comment

Item 4: Additions to Agenda – Vice President Ebenkamp

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

Item 5: Reorder of Agenda – Vice President Ebenkamp

- ◆ Item 18-C, Arc Flash Analysis Contract Award, was pulled from the agenda due to an unforeseen development that will require additional follow-up.

Item 6: Consent Calendar

- ◆ The Board was asked to approve the Consent Calendar, including the minutes of the Regular Board Meeting held August 24, 2009; the September 2009 check register; the Community Relations/Website Activities Report; the Operations Report; and the Engineering Project Status Report.

Upon consideration thereof, it was moved by Director Chang, seconded by Director Wu and unanimously carried (3-0), to receive, approve, and file the Consent Calendar consisting of the minutes of the Regular Board Meeting held August 24, 2009; the September 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 Wu, seconded by Director Chang and unanimously carried (3-0), 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 preliminary District Statement of Revenue, Expenses, and Change in Net Assets as of August 31, 2009. Also provided for the Board's review and consideration was the Summary of Cash and Investments August 31, 2009. (Due to the year-end audit, the District's Statement of Net Assets was not available.)

Upon consideration thereof, it was moved by Director Wu, seconded by Director Chang and unanimously carried (3-0), to receive and file the Treasurer's Report, consisting of the preliminary District Statement of Revenue, Expenses, and Change in Net Assets as of August 31, 2009, and the Summary of Cash and Investments as of August 31, 2009. (Item 8-1 & 2)

Committee Chair Reports

Item 9: Engineering & Special Projects Committee – Director Wu

- ◆ The Board was asked to authorize the appropriation of \$63,000 from the Reserve for Replacement Fund, to find the project categorically exempt, and to award a contract in the amount of \$482,000 to Advanced Industrial Services to furnish labor and materials for the Pathfinder Reservoirs A & B interior and exterior coating project (P.N. 09-3156).

Upon consideration thereof, it was moved by Director Wu, seconded by Director Chang, and unanimously carried (3-0), to authorize the appropriation of \$63,000 from the Reserve for Replacement Fund for the interior and exterior coating of Pathfinder Reservoirs A & B, to find the project categorically exempt, and to award a contract in the amount of \$482,000 to Advanced Industrial Services to furnish labor and materials for this project. (Item 9-A)

- ◆ The Board was asked to authorize staff to forward a letter to the Puente Basin Watermaster indicating the District's preference for Option 1 to be used to calculate the collective "import return flow credit," giving the District its proportionate share of the credit.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Chang and unanimously carried (3-0), to authorize staff to send a letter to the Puente Basin Watermaster indicating the District's preference for Option 1 to be used to calculate the collective "import return flow credit," giving the District its proportionate share of the credit. (Item 9-B)

Item 10: Personnel Committee – Director Ebenkamp

- ◆ The Board was asked to adopt Resolution No. 09-09-553 Adopting Amended Bylaws as approved at a regular District Board meeting held on June 22, 2009, and as approved by the Los Angeles County Board of Supervisors on September 1, 2009. Upon approval, the Bylaws must be recorded by the Los Angeles County Registrar-Recorder to become effective. The proposed effective date is December 1, 2009.

Upon consideration thereof, it was moved by Director Chang, seconded by Director Wu and unanimously carried (3-0), to adopt Resolution No. 09-09-553 Adopting Amended Bylaws as approved by the District Board on June 22, 2009, and by the Los Angeles County Board of Supervisors on September 1, 2009, for recording by the Los Angeles County Registrar-Recorder and to become effective December 1, 2009. (Item 10-A)

- ◆ The Board was asked to concur with staff's recommendations for ACWA committee appointment nominees for the 2010-2011 term. It was noted that, although the recommendations include Legal Counsel nominees, the District is not responsible for any costs associated with their participation.

Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Chang and unanimously carried(3-0), to submit the District's request for ACWA 2010-2011 committee appointments as follows:

<i>Ms. Sandra Olson</i>	-	<i>Insurance and Personnel Committee</i>
<i>Mr. David Garcia</i>	-	<i>Water Quality Committee</i>
<i>Mr. Denis Hernandez</i>	-	<i>Communications Committee</i>
<i>Mr. Brian Teuber</i>	-	<i>Finance Committee</i>
<i>Timothy J. Gosney, Esq.</i>	-	<i>State Legislative Committee and Legal Affairs Committee</i>
<i>Thomas S. Bunn, Esq.</i>	-	<i>Groundwater Committee</i>
<i>Andrew D. Turner, Esq.</i>	-	<i>Local Government Committee</i>
<i>James D. Ciampa, Esq.</i>	-	<i>Legal Affairs Committee</i>

Item 11: Finance Committee – Director Wu

- ◆ Following the August 2009 monthly Investment Transactions Report, it was noted that Chandler Asset Management, the firm handling the District's investment portfolio, would be scheduled to attend the October Board meeting to present the quarterly investment report and statements.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Chang and unanimously carried (3-0), to receive, approve, and file the monthly Investment Transactions Report for August 2009. (Item 11-A)

- ◆ The Board received a verbal update regarding the status of the District audit and was advised that staff expects to have a final draft for presentation to Finance Committee in October. (Item 11-B)

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

- ◆ The Board was asked to consider a request from the California-Nevada Section of the AWWA for a \$500 capital campaign contribution to help them provide the necessary resources to ensure that the highest quality public water supply remains safe, secure, and reliable for current and future generations. It was mentioned that this organization provides valuable technical expertise and an excellent avenue for training that allows those who need it to obtain required contact hours. If approved, this contribution would be paid from the District's Dues and Subscriptions Account.

Upon consideration thereof, it was moved by Director Chang, seconded by Director Ebenkamp and unanimously carried (3-0), to approve a \$500 capital campaign contribution to the California-Nevada Section of the AWWA. (Item 12-A)

- ◆ The Board received an update on the Delta water legislation recently discussed by the legislature. Mr. Holmes advised that the 2009 legislative session came to an end without passage of a comprehensive water package.

Other Items

Item 13: TVMWD/MWD – Director Ebenkamp

- ◆ Director Ebenkamp referred to the Action Line Report of TVMWD's August 21 Board meeting activities that was included in the Board packet. He stated that the most significant matter discussed was the approval of funding for the multi-agency regional groundwater recovery project feasibility study.

Item 14: The P-W-R Joint Water Line Commission – Director Ebenkamp

- ◆ Director Ebenkamp noted the production history, Miramar water utilization, and water use reports included in the Board packet.

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

- ◆ Director Ebenkamp reviewed minutes from the August 26, 2009, special meeting that were included in the Board packet. He noted that the Agency had approved an amended budget for the 2009-2010 fiscal year, which was increased by \$20,000 to cover the estimated cost of pursuing an Exchange Agreement to acquire supplemental water supplies.
- ◆ The Board was asked to receive, approve, and file the Puente Basin Water Agency's (PBWA) amended fiscal year 2009-2010 budget in the amount of \$36,590, which is shared equally with Rowland Water District, as approved by the PBWA Commissioners at their August 26, 2009, meeting. The District's portion of the budget is \$18,295.

Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and unanimously carried (3-0), to receive, approve, and file the Puente Basin Water Agency's amended fiscal year 2009-2010 budget in the amount of \$36,590, with the District's share being \$18,295.

Item 16: General Manager Report – Mike Holmes

- ◆ The General Manager reported that while making repairs to the North Side Line, Doty Bros. had damaged a gas line. He said, as a result, a claim for damages had been filed by the Gas Company, which would be paid by Doty Bros. once the costs are finalized.
- ◆ The General Manager then advised of a \$60,990 High Efficiency Toilet program rebate received from TVMWD. He commended Mr. Jose Martinez for his meticulous recordkeeping and Ms. Cindy DeChaine, an employee at Three Valleys, for her diligence in getting this rebate processed for the District.
- ◆ Next, he provided a verbal update on water supply allocation projections through the end of the fiscal year. Mr. John Rowe, who was in attendance representing the Montefino Home Owners Association, commented that Montefino water usage was up 5%. It was noted that they had four meters serving 453 units and that the homeowners have no awareness of how much water they use.

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)

- ◆ Knowing that she would be traveling and unable to attend the Board meeting, Director Kwong submitted a written report of her attendance at the Urban Water Institute Annual Conference.
- ◆ Director Chang attended the August Board meeting and the Puente Basin Water Agency special meeting. She attended no other meetings reportable under the Brown Act.
- ◆ Director Wu attended the District's August Finance Committee and Board meetings. He noted he had also attended the Urban Water Institute Annual meeting and referenced Director Kwong's written report. He also reported on the District's Water Conservation Outreach press conference.
- ◆ Director Ebenkamp noted his attendance at the District's award ceremony for its summer interns, the TVMWD Board meeting and the Puente Basin Water Agency special meeting previously reported on, the Chamber Government Affairs Committee meeting, and the Water Conservation Outreach press conference.

Item 18: Board of Directors Business

- ◆ The Board was advised that the District had received notification from the Registrar-Recorder's office that, there being only two candidates for the two open District seats, Mr. Hilden, Division II, and Ms. Barbara Carrera, Division III, would be appointed as Directors for those positions at a meeting held by the Board of Supervisors prior to November 24, 2009. (Item 18-A)
- ◆ The Board received an update on repairs completed at the Parker Canyon Reservoir site. The JPIA will reimburse the District for the total cost of these repairs (estimated at \$44,500) and seek recovery of expenses from the responsible party's insurance carrier. (Item 18-B)
- ◆ (The arc flash hazard analysis item was pulled from the agenda due to an unforeseen development that will require further investigation.) Refer to Item 5 above.
- ◆ The Board was advised that the Water Rate Study Ad Hoc Committee is scheduled to meet on October 5 to review preliminary information prepared by the District's consultant and will provide an update at the October Board meeting. (Item 18-D)

Item 19: Legal Reports

- ◆ Mr. Gosney thanked the Board for its support of Legal Counsel nominees for ACWA committees. He said this involvement enhances their ability to serve their clients. He then noted there would be a brief closed session following the regular meeting.

Item 20: Activities Calendar Review – Mike Holmes

- ◆ Mr. Holmes presented the September, October, and November District calendars as previously provided. He called attention to the change in the October Board meeting date, which had been moved to Tuesday, October 27, at 6:00 p.m. He also noted the Building Corporation meeting scheduled for Monday, October 19, at 12 p.m.

Item 21: Items for Future Discussion

- ◆ Director Wu asked that staff review the District's specifications regarding bollards and compare them to CalTrans standards for its various kinds of barriers.

Item 22: Adjourn to Closed Session – 7:05 P.M.

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

Item 23: Closed Session – 7:28 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.
- ◆ The Board also met in closed session in accordance with Government Code §54956.9[b] to discuss one matter pertaining to potential litigation.

Item 24: Reconvene in Open Session/Report of Action Taken in Closed Session – 8:06 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 by counsel on the settlement of the Karen Powers case.
- ◆ The Board also met in closed session in accordance with Government Code §54956.9[b] to discuss one matter pertaining to potential litigation. The Board was briefed on the current circumstances and staff and counsel were given instruction on how to proceed. No action reportable under the Brown Act was taken.

Adjournment at 8:07 P.M.