

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

**November 16, 2009
At the Offices of the District**

DIRECTORS PRESENT:

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

STAFF PRESENT:

H. Jess Senecal, Legal Counsel
Michael Holmes, General Manager
Erik Hitchman, Assistant General Manager/Chief Engineer
Sandra Olson, Director of Administrative Services
Brian Teuber, Director of Finance
Jose Martinez, Conservation Resources Manager
Jo Ann Angelico, Assistant Secretary

DIRECTORS ABSENT:

Scarlett Kwong

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

Guests and others in attendance: Three Valleys MWD Director David De Jesus, Director Joe Ruzicka, Assistant General Manager Kirk Howie; Walnut Valley Water District Director-Elect Barbara Carrera, Division III; Mr. Ted Carrera, District Customer; Ms. Jody Roberto, representing Senator Bob Huff; 2009 poster art contest winner Ms. Grace Moon of Evergreen Elementary School, her family and school representatives; High-Efficiency Toilet program representatives from Diamond Bar, Diamond Ranch, Rowland, and Walnut high schools.

Item 3: Public Comment – President Hilden

- ◆ 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: MWD Calendar Contest Award

- ◆ The Board presented a framed copy of her artwork to Ms. Grace Moon, the District's poster contest winner whose artwork was selected by MWD to appear on the cover and the month of January for its 2010 water education calendar. Her artwork will also be included in MWD's annual traveling art exhibit next year. Joining Ms. Moon for this celebration were her family and school representatives.

Item 7: High Efficiency Toilet Distribution Program

- ◆ Representatives from the Diamond Bar, Diamond Ranch, Rowland, and Walnut high schools were present to receive award checks for their participation in the District's 2009 High-Efficiency Toilet distribution program. Each school received a check for \$2,135.

Item 8: Consent Calendar

- ◆ The Board was asked to approve the Consent Calendar, including the minutes of the Regular Board Meeting held October 27, 2009; the November 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 Ebenkamp, seconded by Director Chang and unanimously carried (4-0), to receive, approve, and file the Consent Calendar consisting of the minutes of the Regular Board Meeting held October 27, 2009; the November 2009 Check Register; the Community Relations/Website Activities Report; the Operations Report; and the Engineering Project Status Report. (Items 8-1, 2, 3, 4, & 5)

Item 9: 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 (4-0), to receive, approve, and file the Board member expense reports for meeting attendance. (Item 9)

Item 10: Treasurer's Report – Brian Teuber

- ◆ Mr. Teuber presented the District Statement of Revenue, Expenses, and Change in Net Assets and the District Statement of Net Assets as of October 31 2009. Also provided for the Board's review and consideration was the Summary of Cash and Investments as of October 31, 2009.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Ebenkamp and unanimously carried (4-0), to receive and file the Treasurer's Report, consisting of the District Statement of Revenue, Expenses, and Change in Net Assets as of October 31, 2009; the District Statement of Net Assets as of October 31, 2009; and the Summary of Cash and Investments as of October 31, 2009. (Item 10-1, 2, &3)

Committee Chair Reports

Item 11: Engineering & Special Projects Committee – Director Wu

- ◆ The Board was asked to approve an appropriation of \$50,000 from the Reserve for Replacement Fund and to authorize the award of a \$127,335 contract to Civiltec Engineering, Inc for the preparation of the preliminary design report, final design, and to provide construction oversight services for the Eastgate Reservoirs Seismic Retrofit/Site Improvements project.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Ebenkamp and unanimously carried (4-0), to approve an appropriation of \$50,000 from the Reserve for Replacement Fund and to authorize the award of a \$127,335 contract to Civiltec Engineering, Inc for the preparation of the preliminary design report, final design, and to provide construction oversight services for the Eastgate Reservoirs Seismic Retrofit/Site Improvements project—P.N 09-3159. (Item 11-A)

- ◆ The Board was asked to accept the work as installed and to authorize the filing of a Notice of Completion for the Recycled Well No. 4 project.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Ebenkamp and unanimously carried (4-0), to accept the work as installed and to authorize the filing of a Notice of Completion for the Recycled Well No. 4 project—W.O. 06-3002. (Item 11-B)

- ◆ The Board was asked to accept the work as installed and to authorize the filing of a Notice of Completion for the Eldertree Reservoirs Interior/Exterior Coating of Steel Reservoirs project.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Ebenkamp and unanimously carried (4-0), to accept the work as installed and to authorize the filing of a Notice of Completion for the Eldertree Reservoirs Interior/Exterior Coating of Steel Reservoirs project—W.O. 08-3120. (Item 11-C)

- ◆ The Board was asked to receive and file the Twenty-Third Annual Report of the Puente Basin Watermaster for Fiscal Year 2008-2009.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Ebenkamp and unanimously carried (4-0), to receive and file the Twenty-Third Annual Report of the Puente Basin Watermaster for Fiscal Year 2008-2009. (Item 11-D)

Item 12: Personnel Committee – Director Hilden

- ◆ The Board was asked to approve a Personnel Files Access Policy establishing guidelines for access to employee personnel files. It was noted that the policy includes a provision for a duplicate copy of the General Manager's file to be kept at the offices of the District's Legal Counsel. If adopted, a copy of the policy will be provided to all employees for inclusion with their Terms and Conditions of Employment and will also be placed in the Employee Policy Manual.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Ebenkamp and unanimously carried (4-0), to approve the proposed Personnel Access Policy as presented. (Item 12-A)

- ◆ The Board conducted its annual review of the "Policies for Ethical Conduct Regarding Board of Directors Compensation and Expenses" and designated Exhibits: "A" Meeting and Expense Report Form, "C" Guidelines for Board Compensated Meetings and Activities, "D" Advance Payment to Directors for Attendance at Community Events, and "F" Meal Expense Reimbursement Schedule/Guidelines.

Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Chang and unanimously carried (4-0), to approve revisions as proposed by staff to Section II-B-2-b, page 4, of the Policies for Ethical Conduct Regarding Board of Directors Compensation and Expenses as it relates to who can make travel arrangements, revisions to Exhibit F relating to the review period (last paragraph), and to maintain "as is" Exhibits A, C, and D.

- ◆ The Board was asked to accept increases in the ACWA medical, vision, and dental insurance coverage for 2010 and to pass through the adjustments in accordance with the employee health benefit provisions set forth in the Terms and Conditions of Employment for 2008-2011. Staff advised that there would be no increase in the ACWA Employee Assistance Program coverage.

Upon consideration thereof, it was moved by Director Hilden, seconded by Director Ebenkamp and unanimously carried (4-0), to accept increases as proposed by ACWA for the 2010 medical, vision, and dental insurance coverage and to pass through the adjustments in accordance with the employee health benefit provisions set forth in the Terms and Conditions of Employment for 2008-2011. (Items 12-C,D,E, & F)

Item 13: Finance Committee – Director Wu

- ◆ Mr. Teuber reviewed the District's monthly investment transactions report.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Ebenkamp and unanimously carried 4-0, to receive, approve, and file the monthly Investment Transactions Report for October 2009. (Item 13-A)

- ◆ The Board was asked to receive, approve, and file the annual Acreage Supply and Reservoir Capacity charges (Capital Improvement Fees) report, which, upon approval, will be made available to the public upon request.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Ebenkamp and unanimously carried (4-0), to receive, approve, and file the annual Acreage Supply and Reservoir Capacity charges (Capital Improvement Fees) report. (Item 13-B)

Item 14: Public Information/Community Relations/Legislative Action – Director Chang

- ◆ The Board was asked to authorize the award of a professional services contract in the amount of \$49,800 to Maureen Erbeznik & Associates to develop a Water Use Efficiency Strategic Plan that will establish conservation goals and identify and prioritize cost efficient measure to achieve these goals.

Upon consideration thereof, it was moved by Director Chang, seconded by Director Ebenkamp and unanimously carried (4-0), to authorize the award of a professional services contract in the amount of \$49,800 to Maureen Erbeznik & Associates to develop a Water Use Efficiency Strategic Plan. (Item 14-A)

- ◆ Mr. Holmes provided an update on the wide-ranging water plan that asks voters to approve an \$11.1 billion bond package to finance water projects.

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

- ◆ President Hilden referred to the Action Line Report of TVMWD's November 4, 2009, Board meeting activities that were included in the Board packet. Three Valleys Director De Jesus reported on the selection of Luis Juarez to fill the vacancy in Division 1 on the Three Valleys MWD Board.

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

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

Item 17: Puente Basin Water Agency – Directors Ebenkamp/Chang

- ◆ Director Ebenkamp advised there was nothing to report regarding Puente Basin Water Agency activities

Item 18: General Manager Report – Mike Holmes

- ◆ The General Manager noted the hand-sanitizers that had been placed around the District offices to help combat the potential for spreading the H1N1 virus. He then noted that the December 15 Board meeting would open at 5:30p.m. with a swearing-in ceremony for Director Hilden and Director-Elect Carrera, followed by a brief reception, with the regular Board business beginning as close to 6:00 p.m. as possible.
- ◆ The Board was then provided with information regarding the Calendar Year 2009 Purchased Water Estimate and an update on water supply allocation projections.

Item 19: 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 reported on his attendance at a CSDA training session and an SDI Infrastructure workshop.
- ◆ Director Ebenkamp noted his attendance at the Rowland Heights Chinese American Association Dinner and the District's Rate Ad Hoc Committee meeting.
- ◆ Other than previously reported activities, Director Hilden had participated in no events reportable under the Brown Act in October.
- ◆ Other than previously reported activities, Director Chang had participated in no events reportable under the Brown Act in October.
- ◆ Director Kwong was absent and, other than previously reported activities, had participated in no events reportable under the Brown Act in October.

Item 20: Board of Directors Business

- ◆ The Board was asked to adopt a resolution honoring Director Chang for her service to the District as a Director in Division III during the past four years and to congratulate her on her election to the Diamond Bar City Council, effective December 1, 2009.

Upon consideration thereof, it was moved by Director Hilden, seconded by Director Ebenkamp and carried 3-0, with Director Chang abstaining, to adopt Resolution No. 11-09-555, "Honoring Ling Ling Chang for Her Dedicated Service as a Director for the Walnut Valley Water District." (Item 20)

Item 21: Legal Reports

- ◆ Mr. Senecal had nothing specific to report other than, following up on the General Manager's comments, to suggest that the staff and Board keep in mind the need to gain support for the proposed bond issue as they move about their other activities.

Item 22: Activities Calendar Review – Mike Holmes

- ◆ The General Manager asked the Directors to note the proposed committee and Board meeting schedule. He also noted the December 17 special Board meeting scheduled for 4:00 p.m. to discuss rates.

Item 23: Items for Future Discussion

- ◆ Director Wu requested a review of the District's fire hydrant standards.
- ◆ Director Ebenkamp requested Public Information Committee discussion regarding a Bond Issue outreach program.

Recognition for Director Chang

- ◆ Prior to adjourning to closed session, the Board presented Director Chang with a District tile to commemorate her service to the District.
- ◆ Ms. Jody Roberto, representing Senator Huff, then presented Director Chang with a certificate recognizing her service to the District and the community.
- ◆ Director Chang expressed her appreciation to her fellow Board members, the District staff, and colleagues for their support during her term as a Director of the District.
- ◆ Those in attendance were then invited to stay for cake and a brief gathering to thank Director Chang for her service on the Board and to congratulate her on her election to the Diamond Bar City Council.

Item 24: Closed Session – 7:20 P.M.

- ◆ The Board adjourned to closed session in accordance with Government Code §54957 to discuss the General Manager's performance evaluation.

Item 25: Adjourn to Closed Session – 7:23 P.M.

- ◆ The Board met in closed session in accordance with Government Code §54957 to discuss the General Manager's performance evaluation.

Item 26: Reconvene in Open Session/Report of Action Taken in Closed Session – 7:35 P.M.

- ◆ It was reported that the Board met in closed session pursuant to Government Code §54957 to discuss the General Manager's performance evaluation.

General Manager's compensation

- ◆ The Board discussed granting a compensation adjustment for the General Manager. The General Manager asked that, under current economic conditions, his salary not be increased. The Board felt, however, that the General Manager's performance over the past year should not go unrewarded. Therefore, respecting his wishes and concerns regarding the economy, the Board determined the General Manager would receive a 2% salary increase for calendar year 2010.
- ◆ *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and unanimously carried, to grant the General Manager a 2% salary increase, effective January 1, 2010, to be inclusive of any Cost of Living Adjustment that may be granted.*

Adjournment at 7:49 P.M.