

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

**February 16, 2010
At the Offices of the District**

DIRECTORS PRESENT:

Theodore L. Ebenkamp, President
Barbara A. Carrera
Edwin M. Hilden
Scarlett P. 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
Jo Ann Angelico, Assistant Secretary

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

Guests and others in attendance: Director Joe Ruzicka and Chief Finance Officer James Linthicum of TVMWD; Ms. Lillian Kawasaki, Water Replenishment District of Southern California; Mr. John Rowe, Montefino Home Owners Association; Mr. Wen Pei, Walnut Planning Commissioner

Item 3: Public Comment – President Ebenkamp

- ◆ **Ms. Lillian Kawasaki**, Water Replenishment District, requested the District's support of her candidacy for LAFCO Special District Alternate Representative.
- ◆ **Mr. Wen Pei**, Walnut Planning Commissioner, addressed the Board regarding the District's proposed water rate increase, posing two questions: 1) is the rate increase related to the proposed NFL stadium, and 2) what will be the impact of recent weather conditions on the District's 5-year rate projections? He said he had a petition with 200 signatures against the rate increase and asked the District to seriously reconsider its implementation.

Item 4: Additions to the Agenda – President Ebenkamp

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

Item 5: Reorder of Agenda –President Ebenkamp

- ◆ Director Wu requested that Closed Session Item B be discussed before Closed Session Item A, and the Board concurred.

Item 6: Consent Calendar

- ◆ The Board was asked to approve the Consent Calendar, including the minutes of the Regular Board Meeting held January 19, 2010; the February 2010 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 Hilden, 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 January 19, 2010; the February 2010 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 Hilden, seconded by Director Kwong and unanimously carried, to receive, approve, and file the Board member expense reports for meeting attendance. (Item 7)

Item 8: Treasurer's Report – Mr. Holmes

- ◆ Mr. Holmes presented the District Statement of Revenue, Expenses, and Change in Net Assets and the District Statement of Net Assets as of January 31, 2010. Also provided for the Board's review and consideration was the Summary of Cash and Investments as of January 31, 2010.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Carrera and unanimously carried, to receive and file the Treasurer's Report, consisting of the District Statement of Revenue, Expenses, and Change in Net Assets as of January 31, 2010; the District Statement of Net Assets as of January 31, 2010; and the Summary of Cash and Investments as of January 31, 2010. (Item 8-1, 2, &3)

Committee Chair Reports

Item 9: Engineering & Special Projects Committee – Director Kwong

- ◆ The Board was asked to approve two Tax Sharing Resolutions between the County Sanitation Districts of Los Angeles County and the Walnut Valley Water District and the District's Improvement District No. 5.

Upon consideration thereof, it was moved by Director Hilden, seconded by Director Carrera and unanimously carried to approve the two Tax Sharing Resolutions between the County Sanitation Districts of Los Angeles County and the Walnut Valley Water District and the District's Improvement District No. 5 as presented. (Item 9)

Item 10: Personnel Committee – President Ebenkamp

- ◆ President Ebenkamp advised that two matters, the District's Records Management Program and a District Backing Policy were discussed by the Personnel Committee, noting they would be presented to the Board at a future meeting following further review and work.

Item 11: Finance Committee – Director Wu

- ◆ The Board received the Economic Summary prepared by Chandler Asset Management.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried, to receive, approve, and file the Economic Summary Report for the period ending December 31, 2009 as prepared by Chandler Asset Management. (Item 11-A)

- ◆ The Board received the District's monthly investment transactions report.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Carrera and unanimously carried, to receive, approve, and file the District's monthly investments transactions report. (Item 11-B)

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

- ◆ The Board received a report regarding measures the District is taking to respond to recent incidents of illegal entry into resident's homes by individuals posing as utility workers. Of those measures proposed, staff was asked to add a message to the District's next billing insert. (Item 12-A)
- ◆ The Board was asked to approve sending letters to the District's legislative representatives and others encouraging an "oppose" position to AB 1594 (Huber) "Peripheral Canal."

Upon consideration thereof, it was moved by Director Carrera, seconded by Director Hilden and unanimously carried to approve sending letters to the District's legislative representatives and others, expressing "opposition" to AB 1594 (Huber) "Peripheral Canal." (Item 12-B)

Other Items

Item 13: TVMWD/MWD – Director Hilden

- ◆ Director Hilden reviewed the Action Line Report for TVMWD's January 20, 2010, Board meeting activities.

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

- ◆ Director Hilden noted the water use report included in the Board packet.

Item 15: Puente Basin Water Agency – President Ebenkamp

- ◆ President Ebenkamp advised he had nothing new to report regarding Puente Basin Water Agency.

Item 16: General Manager Report – Mike Holmes

- ◆ The General Manager reported on the semi-annual inspection of District facilities performed by the ACWA-JPIA and their laudatory comments related to the excellent condition of the District's facilities.
- ◆ The Board was provided with information regarding Purchased Water for the FY 2009-2010 and an update on water supply allocation projections and customer conservation.
- ◆ The Board was also provided with a copy of an TVMWD Water Supply Allocation Plan update through January 2010 as provided by MWD.

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)

- ◆ In addition to the District committee and Board meetings previously reported, Director Carrera noted her attendance at the TVMWD Board meeting, a San Gabriel Valley Water Association meeting, a Rivers and Mountains Conservancy meeting, and a Southern California Water Utilities Association meeting.
- ◆ In addition to the committee and Board meetings previously reported, Director Kwong reported on her attendance at the TVMWD Board meeting and Four Corners Transportation Summit meeting.
- ◆ In addition to the District committee and Board meetings previously reported, President Ebenkamp noted his attendance at the TVMWD Board meeting, the January 27 Walnut City Council workshop on water, the Regional Chamber Government Affairs Committee meeting, the District's awards banquet, the Four Corners Transportation Summit meeting, and in February, the February 2 Diamond Bar City Council meeting and an ACWA Region 8 meeting.

- ◆ Other than District committee and Board meetings previously reported, Director Wu noted his attendance at the January 13 Walnut City Council meeting, and the January 27 meeting at the City of Walnut.
- ◆ Other than District committee meetings, District Board meetings, and the TVMWD Board meeting previously reported, Director Hilden had attended no meetings reportable under the Brown Act.

Item 18: Legal Reports

- ◆ Mr. Gosney advised of an order issued by the State Controller regarding reimbursable State mandated costs, which could result in some cost recovery for the District.

Item 19: Activities Calendar Review – Mike Holmes

- ◆ In reviewing the activities calendars, Mr. Holmes advised staff would coordinate scheduling the March committee meetings with the Directors as soon as possible.

Item 20: Items for Future Discussion

- ◆ Director Kwong asked that the possibility of including donation requests for local fundraisers on its water bills be reviewed by the Public Information Committee. Legal Counsel noted that along with this could be the responsibility for providing “proof of donation” to people for income tax purposes.

Item 21: Board of Directors Business

- ◆ The Board was asked to consider requests for adoption of concurring resolutions for nominations to the ACWA-JPIA Executive Committee and the office of ACWA/JPIA Vice President. The District received requests from Mr. Merle Aleshire, Valley Center Water District, and Mr. Thomas A. Cuquet, South Sutter Water District for the office of Vice President; and from Mrs. Melody A. McDonald for the Executive Committee.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Carrera and unanimously carried, to adopt Resolution No. 02-10-559 Concurring in the Nomination of Thomas A. Cuquet, South Sutter Water District, for the Office of Vice President of ACWA-JPIA’s Board of Directors. (Item 21-A)

- ◆ The Board was asked to consider the ballot for the Special District Representative and the ballot for the Special District Alternate position on LAFCO, voting for one candidate on each ballot.

Upon consideration thereof, it was moved by Director Carrera, seconded by Director Wu and unanimously carried, to vote for Mr. E. G. “Jerry” Gladbach, Castaic Lake Water District, to fill the LAFCO Special District Representative position, and to vote for Ms. Lillian Kawasaki, Water Replenishment District of Southern California, to fill the LAFCO Special District Alternate position. (Item 21 B)

Item 22: Public Comment on Closed Session

There were no requests to comment on Closed Session items.

Item 23: Adjourn to Closed Session – 7:05 P.M.

- ◆ The Board adjourned to closed session in accordance with Government Code §54956.8 to discuss real property negotiations pertaining to the acquisition of water resources; and in accordance with Government Code §56956.9(a) to discuss three matters pertaining to pending litigation;
 - (1) Esther Hong by and through her Guardian ad Litem Doug Hong
 - (2) Michelle Lin by and through her Guardian ad Litem Charles Lin
 - (3) D. H. Hwang and Isabella Hwang

Item 24: Closed Session – 7:28 P.M.

- ◆ The Board met in closed session in accordance with Government Code §54956.8 to discuss real property negotiations pertaining to the acquisition of water resources; and in accordance with Government Code §56956.9(a) to discuss three matters pertaining to pending litigation;
 - (1) Esther Hong by and through her Guardian ad Litem Doug Hong
 - (2) Michelle Lin by and through her Guardian ad Litem Charles Lin
 - (3) D. H. Hwang and Isabella Hwang

Item 25: Reconvene in Open Session/Report of Action Taken in Closed Session – 7:52 P.M.

- ◆ It was reported that the Board met in closed session pursuant to Government Code §56956.9(b) to discuss pending litigation involving three claims: 1) Esther Hong by and through her Guardian ad Litem Doug Hong, 2) Michelle Lin by and through her Guardian ad Litem Charles Lin, and 3) D. H. Hwang and Isabella Hwang, which were evaluated and considered by the Board at one time. The Board voted unanimously to deny each of the claims and staff was given instruction to send the proper notification. The Board also met in closed session, in accordance with Government Code §54956.8, to discuss real property negotiations pertaining to the acquisition of water resources. The Board was briefed on the current circumstances in this matter. No action reportable under the Brown Act was taken.

Adjournment at 7:54 P.M.