

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

**October 20, 2008  
At the Offices of the District**

**DIRECTORS PRESENT:**

Allen Wu, President  
Ling Ling Chang (arrived at 6:10 p.m.)  
Theodore L. Ebenkamp  
Edwin M. Hilden  
Scarlett Kwong

**STAFF PRESENT:**

H. Jess Senecal, Legal Counsel  
Michael Holmes, General Manager  
Erik Hitchman, Assistant General Manager/Chief Engineer  
Sandy Olson, Director of Administrative Services  
Shawna Whallon, Director of Finance  
Jo Ann Angelico, Assistant Secretary

The meeting was called to order at 6:01 p.m. with President Wu presiding.

Guests and others in attendance: Directors David De Jesus and Joe Ruzicka, and Assistant General Manager Kirk Howie of Three Valleys Municipal Water District

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

- ◆ Written correspondence received from MWD regarding the Governor's veto of SB 1391 was duly noted.
- ◆ There were no public comments.

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

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

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

- ◆ There were no requests to reorder the agenda.

**Item 6: Consent Calendar**

- ◆ The Board was asked to approve the Consent Calendar, including the minutes of the Regular Board Meeting held September 15, 2008; the October 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 Ebenkamp and unanimously carried (4-0, Director Chang Absent), to receive, approve, and file the Consent Calendar consisting of the minutes of the Regular Board Meeting held September 15, 2008; the October Check Register; the Community Relations/Website Activities Report; the Operations Report; and the Engineering Project Status Report. (Items 6-1, 2, 3, 4, and 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 Ebenkamp and unanimously carried (4-0, Director Chang Absent), to receive, approve, and file the Board member expense reports for meeting attendance. (Item 7)*

**Item 8: Treasurer's Report – Shawna Whallon**

- ◆ Ms. Whallon presented the Preliminary District Statement of Revenues, Expenses, and Change in Net Assets and the Preliminary Summary of Cash and Investments as of September 30, 2008. She advised that, due to the year-end audit, the District Statement of Net Assets is not available.

*Upon consideration of the Treasurer's report, it was moved by Director Hilden, seconded by Director Ebenkamp and unanimously carried (4-0, Director Chang absent), to receive and file the Preliminary District Statement of Revenues, Expenses, and Change in Net Assets and the Preliminary Summary of Cash and Investments as of September 30, 2008. (Items 8-A & B)*

**Committee Chair Reports**

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

- ◆ The Board was asked to award a sole source contract to Malcolm Pirnie, Inc. for implementation of the SCADA System Upgrade, Phase I, System Design Engineering, at a cost of \$187,000. (*Director Chang arrived during the discussion of this item*)

*Upon consideration thereof, it was moved by Director Hilden, seconded by Director Kwong and unanimously carried, to award a sole source contract in the amount of \$187,000 to Malcolm Pirnie, Inc. for implementation of the SCADA System Upgrade, Phase I, System Design Engineering, W.O. 07-3053. (Item 9-A)*

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

- ◆ The Board was asked to approve minor language clarification and/or legal updates to some of the District’s personnel policies as proposed by District Labor Counsel to remain in compliance.

*Upon consideration thereof, it was moved by Director Chang, seconded by Director Hilden and unanimously carried, to approve revisions and additions as proposed by District Labor Counsel to the following personnel policies: Attendance and Punctuality Policy; Employee Purchase Program Policy and Guidelines; Policy and Complaint Procedure Against Harassment, Discrimination, and Retaliation; Family Care and Medical Leave; Fitness for Duty/Medical Examination Policy; General Reporting Guidelines for Vehicle Accidents; Judicial Leave Policy; Statement of Policy on Physical Disability or Medical Condition (including Infectious and Communicable diseases). (Item 10-A)*

- ◆ The Board was asked to adopt Resolution No. 10-08-545 “Adopting Identity Theft Prevention Program,” as prepared by Legal Counsel to meet new federal regulations requiring every municipal electric, natural gas, water, and wastewater utility to develop a new Identify Theft Prevention Program by November 1, 2008.

*Upon consideration thereof, it was moved by Director Hilden, seconded by Director Ebenkamp and unanimously carried, to adopt Resolution No. 10-08-545 “Adopting Identify Theft Prevention Program” as presented. (Item 10-B)*

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

- ◆ Following a review by Ms. Whallon, the Board was asked to receive, approve, and file the September 2008 monthly Investment Transactions Report.

*Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden and unanimously carried, to receive, approve, and file the monthly Investment Transactions Report for September 2008. (Item 11-A)*

- ◆ Following a review by Ms. Whallon, the Board was asked to receive, approve, and file the quarterly Portfolio Holdings Report as of September 30, 2008.

*Upon consideration thereof, it was moved by President Wu, seconded by Director Ebenkamp and unanimously carried, to receive, approve, and file the quarterly Portfolio Holdings Report as of September 30, 2008. (Item 11-B)*

- ◆ The Board was asked to approve revisions to the District’s Affordable Rate Program Application form and to the Rules and Regulations, Article 12, Rules Applicable to Applicants for Affordable Rate Program, to help streamline the application process for District customers.

*Upon consideration thereof, it was moved by Director Kwong, seconded by Director Chang and unanimously carried, to approve revisions to the District’s Affordable Rate Program Application Form and to the Rules and Regulations, Article 12, Rules Applicable to Applicants for Affordable Rate Program, as proposed. (Item 11-C)*

- ◆ Ms. Whallon provided a verbal report on the status of the District’s 2007-08 audit and advised that a draft report is expected this week and would be reviewed at the Finance Committee and Board meetings in November. (Item 11-D)

**Item 12: Public Information and Community Relations Committee – Director Chang**

- ◆ Ms. Olson presented updates on the District’s Conservation Outreach Program; the 2008-09 Solar Cup Program, noting that Walnut High School had been selected as one of the three schools allowed to participate from the Three Valleys Municipal Water District service area; and the District’s Customer Outreach activities, noting in particular that plans are underway to publicize the availability of in-branch water payments at East West Bank locations beginning December 1, 2008. In discussing the limits placed on the 2008-09 Solar Cup program, it was suggested that it might be worthwhile to attempt to gain sponsors to, possibly, make it possible to develop a regional program so that other schools within the District would have an opportunity to participate. As a side note to the report given on the District’s Conservation Outreach Program, it was noted that the local TV cable network could be a useful avenue for promoting water conservation, which has been helpful in the past.

**Item 13: Legislative Action Committee – Director Ebenkamp**

- ◆ The General Manager provided an update on the California State Budget and the Governor’s concerns regarding the current spending plan being out of balance due to less than anticipated state revenues.

**Other Items****Item 14: TVMWD/MWD – Director Hilden**

- ◆ Director Hilden referred to the TVMWD Action Line reports for the September 17 and October 15 Board meetings that were previously provided to the Board. The Board thanked the Three Valleys

representatives for their Board's unanimous support of the District's efforts to secure water transfers to help enhance water reliability for this area. He then mentioned Director Kuhn's offer to have a Three Valleys Board member provide an update on current water rates and asked Director De Jesus if would do that. Director De Jesus provided some background information regarding MWD rates and advised that, in addition to the proposed 14% increase in MWD water rates that will become effective January 2009, it is anticipated that MWD will implement another significant rate increase in 2010 as a result of environmental issues. He then congratulated the District on its efforts to secure water transfers as a way to expand this area's water resources to help meet water demand.

**Item 15: 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 September.

**Item 16: Puente Basin Water Agency – Directors Ebenkamp/Chang**

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

**Item 17: General Manager Oral Report – Mike Holmes**

- ◆ The General Manager had no report.

**Item 18: Directors' Oral Reports**

- ◆ Director Chang reported on the East West Bank/WVWD press conference, noting she was especially pleased that the president and CEO of East West Bank could be in attendance
- ◆ Director Hilden reported on his attendance at the ACWA Region 8 Conference
- ◆ Director Wu reported on the East West Bank/WVWD press conference
- ◆ Director Ebenkamp reported on his attendance at the ACWA Region 8 Conference
- ◆ Director Kwong attended no meetings reportable under AB 1234

**Item 19: Legal Reports**

- ◆ Legal Counsel had nothing to add at this time.

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

- ◆ Mr. Holmes referred to the October, November, and December 2008 calendars as previously provided. He noted in particular the Board-sponsored barbecue scheduled for November 17 and thanked the Board for their generosity.

**Item 21: Subjects for Future Meetings**

- ◆ Director Kwong requested that a report be given next month on the 9/80 work schedule.
- ◆ President Wu asked that the reorganization process be reviewed at the November Board meeting to consider implementing a rotation of Board member officer assignments.
- ◆ Director Hilden asked for a review of the Form 700 reporting requirements.

**Item 22: Board of Directors Business**

- ◆ The General Manager presented the quarterly update of the General Manager's 2008-09 Work Plan for the Board's review.

*Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Chang and unanimously carried, to receive and file the General Manager's 2008-09 Work Plan as presented. (Item 22-A)*

- ◆ The General Manager advised that Legal Counsel had attended the October 14 Los Angeles County Board of Supervisors meeting, at which the District's amended Bylaws had been presented for approval, and reported that they had approved our Bylaws without objection or discussion. It was noted that once the official notice is received from the County, a resolution adopting the District's amended Bylaws would be presented for consideration. The Bylaws would then need to be recorded with the Los Angeles County Recorder to become effective.
- ◆ In reporting on the District's Water Resource Ad Hoc Committee activities, Mr. Holmes referred to the Three Valleys memorandum included in the Board meeting packets and again thanked the Three Valleys Board of Directors and staff for their cooperation and willingness to work with Walnut Valley and Rowland water districts in this joint effort to secure additional water supplies. He said the consideration given in this first step on our long journey is sincerely appreciated.
- ◆ President Wu took a moment to express his appreciation to Mr. De Jesus for his assistance with including Walnut High School in the Solar Cup program.

**Item 23 Adjourn to Closed Session – 7:00 P.M.**

**Item 24: Closed Session – 7:20 P.M.**

- ◆ After a brief dinner break, the Board met in closed session in accordance with Government Code §54956.9[a] to discuss two cases of pending litigation: (1) Karen Powers v. Walnut Valley Water District and Does 1-24, Los Angeles Superior Court Case No. KC052479R, and (2) Walnut Valley Water District v. Nationwide Auction Systems, Los Angeles Superior Court Case No. POM08C03198.

**Item 25: Report of Action in Closed Session at 7:24 P.M.**

Upon reconvening in open session, Mr. Senecal provided the following closed session report:

- ◆ The Board met in closed session in accordance with Government Code §54956.9[a] to discuss two cases of pending litigation. The Board was briefed by Legal Counsel on the status of the Karen Powers v. Walnut Valley Water District and Does 1-24, Los Angeles Superior Court Case No. KC052479R, litigation, and the Walnut Valley Water District v. Nationwide Auction Systems, Los Angeles Superior Court Case No. POM08C03198, litigation. No action reportable under the Brown Act was taken.

**Adjournment at 7:25 P.M.**