

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

**February 17, 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:

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
Brian Teuber, Deputy 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: Director Joe Ruzicka of Three Valleys Municipal Water District

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: Consent Calendar

- ◆ The Board was asked to approve the Consent Calendar, including the minutes of the Regular Board Meeting held January 20, 2009; the February 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, to receive, approve, and file the Consent Calendar consisting of the minutes of the Regular Board Meeting held January 20, 2009; the February 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 – Shawna Whallon

- ◆ Ms. Whallon presented the District's Statement of Revenues, Expenses, and Change in Net Assets; Statement of Net Assets; and the Summary of Cash and Investments as of January 31, 2008.

Upon consideration of the Treasurer's report, it was moved by Director Wu, seconded by Director Chang and unanimously carried, to receive and file the District's Statement of Revenues, Expenses, and Change in Net Assets; Statement of Net Assets; and the Summary of Cash and Investments as of January 31, 2008. (Items 8-1, 2, & 3)

Committee Chair Reports

Item 9: Engineering & Special Projects Committee – Director Wu

- ◆ The Board was asked to accept the work as installed and authorize the filing of a Notice of Completion for the Arbor Ridge Reservoir and Pump Station Improvements project (W.O. 06-2995).

Upon consideration thereof, it was moved by Director Wu, seconded by Director Ebenkamp and unanimously carried, to accept the work as installed and authorize the filing of a Notice of Completion for the Arbor Ridge Reservoir and Pump Station Improvements project, W.O. 06-2995. (Item 9-A)

- ◆ The Board was asked to approve the purchase of up to 4,044 acre-feet of cyclic storage water from Three Valleys' account at cost of \$261 per acre-foot (maximum cost of \$1,055,484) with the District's portion of the funds coming from the Rate Stabilization Reserve. The Board was also asked

to authorize drafting an agreement with Three Valleys to secure the purchase, storage, and transfer of said water.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Chang and unanimously carried to approve the purchase of up to 4,044 acre-feet of cyclic storage water from Three Valleys' account with the District's portion of the funds coming from the Rate Stabilization Reserve and to authorize drafting an agreement with Three Valleys to secure the purchase, storage, and transfer of said water. (Item 9-B)

- ◆ The Board received an update on NPDES (National Pollution Discharge Elimination System) permitting and was advised that the LARWQCB is developing a new General Permit that includes requirements for the discharge of not only groundwater to surface waters from potable water supply wells, but also the discharge of potable water from storage and distribution system operations and maintenance activities. If implemented, the new regulations could have serious operational and financial impacts. Mr. Senecal advised that interested parties are trying to avoid litigation and that, most recently, Assemblyman Calderon has indicated a willingness to take up the matter. *Staff was directed, by consensus of the Board, to follow-up as recommended by Legal Counsel.*

Item 10: Personnel Committee – Director Hilden

- ◆ The Board was asked to approve proposed amendments to the District's Employee Personal Computer Purchase Program that would allow for more flexibility in the method of payment for employee purchase of computer equipment under this program.

Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and unanimously carried, to approve the amended Employee Personal Computer Purchase Program as presented. (Item 10-A)

- ◆ The Board received information regarding the ACWA/JPIA Executive Committee election to be held on May 18, 2009, during the Spring Conference in Sacramento and was asked to make a determination regarding how to proceed. This matter was continued to the March Board meeting to allow sufficient time for candidates to submit their requests for concurring resolutions. (Item 10-B)

Item 11: Finance Committee – Director Kwong

- ◆ Following a review by Ms. Whallon, the Board was asked to receive, approve, and file the January 2009 monthly Investment Transactions Report.

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

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

- ◆ There were no Public Information/Community Relations/Legislative Action matters to come before the Board at this time.

Other Items

Item 13: TVMWD/MWD – President Hilden

- ◆ President Hilden reviewed activities from the TVMWD January 2009 Board meeting.
- ◆ The Board received information regarding the MWD 2009 Water Supply Allocation Plan status.
- ◆ The Board received an MWD News Release regarding the 2009 Water Supply Outlook and MWD conservation programs funding

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 January.

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

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

Item 16: General Manager Report – Mike Holmes

- ◆ Mr. Holmes provided an update on rainfall to-date, which was 14.98 inches, an update on water transfer efforts, and an update on the status of the State Budget discussions. He also mentioned the pending retirement of Shawna Whallon, Director of Finance.

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 reported on his attendance at the City of Walnut's 50th anniversary event and a meeting he had with the General Manager
- ◆ Director Ebenkamp reported on his attendance at the TVMWD Board meeting and his meeting with Senator Huff's representative, Tim Shaw
- ◆ Director Hilden reported he had a meeting with the District's defense counsel, attended the TVMWD Board meeting, met with Assemblyman Hagman, and attended TVMWD's Leadership Breakfast meeting
- ◆ Director Kwong reported on her attendance at District's annual awards banquet and the local eWaste event
- ◆ Director Chang reported that she is on the San Gabriel Valley Public Affairs Network board and advised they are planning a briefing for sometime in March with Jeff Kightlinger.

Item 18: Board of Directors Business

- ◆ The Board was asked to approve the proposed regular Board meeting schedule for the remainder of 2009, which had been revised to change the previously proposed dates for May, August, and December.

Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and unanimously carried to approve the 2009 Board meeting schedule as presented. (Item 18-A)

- ◆ The Board was asked to adopt Resolution No. 02-09-548 confirming the appointment of District representatives to the Pomona-Walnut-Rowland Joint Water Line Commission.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Kwong and unanimously carried to adopt Resolution No. 02-09-548 Confirming Appointment of District Representative to the Pomona-Walnut-Rowland Joint Water Line Commission, namely Edwin M. Hilden as representative, Scarlett P. Kwong as first alternate representative, and Theodore L. Ebenkamp as second alternate representative. (Item 18-B)

- ◆ The Board was asked to authorize the preparation of a Certificate of Recognition for outgoing TVMWD Board member Fred Lantz to acknowledge his contributions to the water industry.

Upon consideration thereof it was moved by Director Wu, seconded by Director Ebenkamp and unanimously carried, to prepare a Certificate of Recognition for outgoing TVMWD Board member Fred Lantz. (Item 18-C)

Item 19: Legal Reports

- ◆ Mr. Senecal noted that there would be a brief closed session following the regular meeting.

Item 20: Activities Calendar Review – Mike Holmes

- ◆ Mr. Holmes referred to the February, March, and April 2009 calendars as previously provided.

Item 21: Subjects for Future Meetings

- ◆ Director Hilden asked that the Guidelines for Board Compensated Meetings and Activities be reviewed with consideration given to including compensation for attendance at any event where water related presentations are given.

Item 22: Adjourn to Closed Session – 6:57 P.M.

Item 23: Closed Session – 7:17 P.M.

- ◆ 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 1-25, 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 24: Reconvene in Open Session/Report of Action Taken in Closed Session – 7:31 P.M.

- ◆ 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 1-25, 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 7:32 P.M.