

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

**January 16, 2007
5:00 P.M. at the Offices of the District**

DIRECTORS PRESENT:

Ling Ling Chang, President
E. Fred Flores
Edwin M. Hilden
Donald L. Nettles
Allen L. Wu

STAFF PRESENT:

H. Jess Senecal, Legal Counsel
Michael Holmes, General Manager
Erik Hitchman, Assistant General Manager/Chief Engineer
Shawna Whallon, Director of Finance
Brian Teuber, Accounting Manager
Cregg Zimmerman, Director of Operations
Sandra Olson, Director of Administrative Services
Denis Hernandez, Deputy Director of Administrative Services
Jo Ann Angelico, Assistant Secretary
Karen Miller, Recording Secretary

The meeting was called to order at 5:00 P.M. with President Chang presiding. President Chang and Mr. Holmes noted that a digital recording device was being tested and that dual tape recorders were being used to record this meeting.

Guests and others in attendance: David De Jesus, Dan Horan, and Joe Ruzicka, Board Members, TVMWD; and Mr. & Mrs. Ted Carrera, residents, City of Diamond Bar.

Item 3: Communications to the Board – President Chang

- ◆ **Written** – President Chang noted the District had received from ACWA Joint Powers Insurance Authority President’s Special Recognition Award for achieving a low ratio of “Paid Claims and Case Reserves” to “Deposit Premium” in the Property Program for the period April 1, 2002, through March 31, 2005.
- ◆ **Public Comment** – There was no public comment at this time.

Item 4: Additions to Agenda – President Chang

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

Item 5: Reorder of Agenda – President Chang

- ◆ There were no requests from staff or the Board to reorder the agenda.

Item 6: Report of Action in Closed Session – President Chang

- ◆ It was reported that the Board met in closed session at 4:00 P.M., prior to regular session, in accordance with Government Code Section 54956.9[b] to discuss one case regarding significant exposure to litigation. The Board was briefed on the status of the matter, but no action reportable under the Brown Act was taken.

Item 7: Consent Calendar – President Chang

- ◆ The Board was asked to approve the Consent Calendar, including the minutes of the Regular Board Meeting held December 19th, the December Check Register, the Community Relations/Conservation/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 approve the Consent Calendar consisting of the minutes of the Regular Board Meeting held December 19, 2006, the December 2006 Check Register, the Community Relations/Conservation/Website Activities Report, the Operations Report, and the Engineering Project Status Report. (Items 7-A-1,2,3,4,&5)

Item 8: Director Expense Reports

- ◆ The Board is asked to approve, receive, and file the Board member expense reports indicating per diem requests for December meeting attendance and to review the individual reports of additional expenses incurred by the District on behalf of each Director during the month of December.

Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu and unanimously carried, to approve, receive, and file the Board member expense reports for December 2006 meeting attendance. (Item 8)

Item 9: Treasurer's Report – Shawna Whallon – Financial reports were presented in accordance with Government Code Sections 5922 and 53601.

- ◆ Review of District Statement of Revenues, Expenses, and Change in Net Assets
- ◆ Review of District Statement of Net Assets
- ◆ Review of the Financial Position and Investment Portfolio for the District

Upon consideration of the Treasurer's report, it was moved by Director Wu, seconded by Director Flores and unanimously carried, to receive, and file the December 31, 2006, District Statement of Revenues, Expenses, and Changes in Net Assets, the District Statement of Net Assets, and the Financial Position and Investment Portfolio for the District. (Item 9)

Committee Chair Reports

Item 10: Engineering & Special Projects Committee – Director Wu

- ◆ The Board is asked to award the labor and material contracts for the relocation of water services for the City of Industry's Currier Road Street Widening project. Director Wu asked Mr. Hitchman to provide information on the project.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Flores and unanimously carried, to award the contracts for labor and materials for the relocation of water services for the City of Industry's Currier Road Street Widening project, Work Order 03-2785, as follows: Labor to Brkich Construction for \$97,400.00; Gate Valves for \$1,924.69 and Service Materials for \$3,665.13 to Ferguson Enterprises; Ductile Iron Pipe to Orange County Winwater Works for \$2,624.82; and Ductile Iron/Miscellaneous Materials for \$9,411.22 and Setters/Saddles/Jumpers for \$5,151.05 to Western Water Works. (Item 10-A)

- ◆ The Board is asked to award a contract to Carollo Engineers for the electrical system design modifications for the Sylvan Glen Reservoir and Pump Station Emergency Generator Project at a cost of \$55,901. At the request of Director Wu, Mr. Hitchman provided background information on the project and staff's review of the two proposals requested and received from Carollo Engineers and Perliter & Ingalsbe.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Nettles and unanimously carried, to award a contract to Carollo Engineers for the electrical system design modifications for the Sylvan Glen Reservoir and Pump Station Emergency Generator project, Work Order 07-3017, in the amount of \$55,901. (Item 10-B)

- ◆ The Board is asked to authorize the District's Joint Water Line Commissioner or Alternate to vote to approve the Commission's Bylaws and Capacity Transfer Policy in substantial conformity to those provided in the Board packet. Mr. Hitchman, who is the Administrative Officer of the Commission, provided background information on both items that were prepared in conjunction with the recently executed Amended, Restated and Renewed Joint Powers Agreement between the three agencies that make up the Commission, which was approved by the Board at its October 2006 meeting,

Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried, to authorize the District's Commissioner or Alternate to vote to approve the P-W-R Joint Water Line Commission's Bylaws and Capacity Transfer Policy. (Item 10-C)

Item 11: Personnel Committee – Director Hilden

- ◆ The Board is asked to approve modifications to the Guidelines for Board Compensated Meetings and Activities (Exhibit "C" to the Policies for Ethical Conduct Regarding Board of Directors Compensation and Ethics) to include payment of per diem for Director meetings with the General Manager, at the General Manager's discretion, and a one day per month per diem for Board President (and/or alternate in President's absence) duties.

Upon consideration thereof, it was moved by Director Hilden, seconded by Director Nettles and unanimously carried, to approve modifications to the Guidelines for Board Compensated Meetings and Activities to include payment of per diem for Director meetings with the General Manager, at the General Manager's discretion, and a one day per month per diem for Board President (and/or alternate in President's absence) duties. (Item 11)

Item 12: Finance Committee – Director Nettles

- ◆ The Board is asked to receive and file the District's December 2006 monthly Investment Transactions Report.

Upon consideration thereof, it was moved by Director Nettles, seconded by Director Wu and unanimously carried, to receive and file the District's monthly Investment Transactions Report for December 2006. (Item 12-A)

- ◆ The Board is asked to receive and file the District's December 31, 2006, Portfolio Holdings Report.

Upon consideration thereof, it was moved by Director Nettles, seconded by Director Hilden and unanimously carried, to receive and file the District's Portfolio Holdings Report as of December 31, 2006. (Item 12-B)

- ◆ The Board is asked to concur with the Finance Committee's recommendation not to renew the California Special Districts Association (CSDA) membership for 2007 in the amount of \$3,162. In dissent, Director Hilden provided several reasons in support of the District maintaining its membership in CSDA. Mr. Carrera of Rowland Water District and Mr. De Jesus advised that both Rowland and Three Valleys MWD are members of CSDA and are continuing their respective memberships. Further discussion was held regarding the number of organizations supported by the District, during which Director Flores requested and it was determined that the Finance Committee will review District memberships.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Nettles and unanimously carried, to renew the CSDA membership for 2007 in the amount of \$3,162. (Item 12-C)

- ◆ The Board received a copy of the District's tentative 2007-08 budget meeting schedule as an information item.

Item 13: Public Information and Community Relations Committee – Director Chang

- ◆ There were no matters from this Committee to come before the Board at this time.

Item 14: Legislative Action Committee – Director Hilden

- ◆ There were no matters from this Committee to come before the Board at this time.

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

- ◆ Director Hilden noted the December 21st Action Line included in the Board packet, after which Mr. De Jesus mentioned that Mr. Ruzicka's nomination as LAFCO Alternate would be on the TVMWD Board Meeting agenda the following day and reminded everyone that the next TVMWD Leadership Breakfast is scheduled for February 8th.

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

- ◆ Director Hilden noted the agenda for the quarterly meeting scheduled for January 18th, after which he discussed the Joint Water Line Production History chart showing the amount of water conserved during the recent MWD shutdown.

Item 17: Puente Basin Water Agency – Director Nettles

- ◆ Director Nettles advised there was nothing to report at this time.

Item 18: General Manager Oral Report – Mike Holmes

- ◆ Mr. Holmes discussed the recent official signing of the P-W-R Joint Water Line Commission's Joint Powers Agreement and the ceremonial signing that is being planned for early March at the MWD Weymouth Treatment Plant in La Verne. Mr. De Jesus is assisting the Commission by coordinating the event with MWD and has advised that Timothy F. Brick, Chairman of the Board, is planning to attend. Mr. Holmes also noted he'll be attending the ACWA Washington D.C. conference February 13-15th.

Item 19: Directors' Oral Reports

- ◆ Director Hilden mentioned his attendance at past CSDA meetings and the importance of the District's renewal of its membership in the organization.
- ◆ Director Nettles reported on his attendance at the RWD Effective Leadership Workshop on January 12th.

- ◆ Director Wu reported on his attendance at the JPIA Board Meeting on December 4-5th and the MWD Student Art Recognition event on December 6th.
- ◆ Director Flores also reported on his attendance at the RWD Effective Leadership Workshop.
- ◆ President Chang again mentioned her attendance, as reported at the December Board meeting, at the ACWA Conference on December 6-7th, and her attendance at the RWD Effective Leadership Workshop.

Item 20: Board of Directors Business – President Chang

- ◆ Mr. Holmes thanked both District and Rowland staff for their coordinating efforts during the recent MWD shutdown of the Weymouth Treatment Plant, which was carried out with no significant problems. He also commended staff and area customers for their 20-25% reduction in water usage during the shutdown, noting a final accounting of the costs will be provided to the Board in February.
- ◆ The Board is asked to receive and file the General Manager's Work Plan for Fiscal Year 2006-07 and advise of any suggestions for revision. Mr. Holmes noted staff also responds diligently to other incidents not included in the work plan, i.e., the MWD shutdown and graffiti/backflow device vandalism in the District.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Flores and unanimously carried, to receive and file the General Manager's FY 2006-07 Work Plan. (Item 20-B)

- ◆ President Chang thanked Director Nettles for his leadership during 2006 and the Board for their nomination of her for the office of President. She then advised the appointment of Directors to serve as District representatives on various commissions and agencies would remain the same as the previous year.
- ◆ President Chang further noted that there would be no ad hoc committee appointments at this time, but that she reserves the right to establish a committee at a future date if needed.

Item 21: Legal Reports

- ◆ Legal counsel reported on legislative matters of interest to the District.

Item 22: Activities Calendar Review – Mike Holmes

- ◆ Mr. Holmes reviewed the calendars for January/February/March 2007 that were provided in the Board book.

Item 23: Subjects for Future Meetings

- ◆ Director Nettles asked for a review of the need to distribute the Directors Activity Schedule to determine if it's a duplication of the Director's monthly expense reports. The item will be reviewed at Public Information and Community Relations Committee.
- ◆ Director Flores again asked for a review of the District's contributions and memberships, which will be discussed by the Finance Committee.
- ◆ President Chang asked staff to review Board policies, requested an annual inspection of District sites be established for the Board, asked staff to investigate the financial impact of providing "BlackBerries" to designated District staff, and advised she will make arrangements to meet with each member to discuss the ensuing year.

Item 24: Adjournment at 6:00 P.M.