

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

**March 20, 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
Cregg Zimmerman, Director of Operations
Sandra Olson, Director of Administrative Services
Denis Hernandez, Deputy Director of Administrative Services
Jo Ann Angelico, Assistant Secretary

The meeting was called to order at 5:00 P.M. with President Chang presiding.

Guests and others in attendance: David De Jesus, Dan Horan, and Joe Ruzicka, Board Members, TVMWD; David Varnam of Congressman Gary Miller's office; Julie Miller, MWD; representatives from the Diamond Bar and Diamond Ranch high school Solar Cup Teams; Diamond Bar residents Phil Kisor and Jinha Kim.

On behalf of the Board of Directors and staff President Chang welcomed Ms. Julie Miller of MWD, expressing appreciation for her and MWD's involvement in the solar-powered boat building experience for our schools, and asked her to provide an overview of the Solar Cup program. Following her remarks describing the Solar Cup program, Ms. Miller presented Solar Cup banners to the District and to representatives of Diamond Bar and Diamond Ranch high schools for display at the District and the schools to help generate enthusiasm for the program and provide team recognition at the event that is scheduled for May 18-20 at Lake Skinner.

Item 4: Communications to the Board – President Chang

- ◆ **Written** – There was no written correspondence to present at this time.
- ◆ **Public Comment (Non-Agenda Items)** – Director Wu commented on the Chinese articles recently translated into English by a District employee and then distributed to District Board members and staff. He questioned the value of utilizing District funds for this purpose.

Item 5: Hearing Before the Board Under District's Appeals Procedure

- ◆ The Board heard an appeal by Mr. Phil Kisor, 1467 Copper Mountain Dr., Diamond Bar, who contested improper connection repair charges. As a part of his appeal he presented a letter from one of his neighbors, who was not able to attend the meeting, and introduced another neighbor who was in attendance, both of whom had told him they had similar experiences but the charges were waived. He also contended that the District's recordkeeping and inspection procedures were lacking. He felt there was no proof that he was responsible for the damaged copper setter. He also protested the door hangers that had been left at his residence as he was trying to sell his home and they were an embarrassment when found by realtors and potential buyers. Following the discussion, staff was instructed to look into the circumstances regarding the other two incidents experienced by Mr. Kisor's neighbors.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Nettles and carried by a 3-0 vote, with Directors Flores and Hilden casting no vote, to refund the \$255 copper setter replacement charges to Mr. Kisor. (Item 5)

Item 6: Additions to Agenda – President Chang

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

Item 7: Reorder of Agenda – President Chang

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

Item 8: Report of Action in Closed Session – Legal Counsel Senecal

- ◆ 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 potential litigation. By unanimous vote the Board authorized Counsel and staff to take such action as may be necessary in order to reject and/or return the claim of February 27, 2007, filed by Karen Powers.

Item 9: Consent Calendar – President Chang

- ◆ The Board was asked to approve the Consent Calendar, including the minutes of the Regular Board Meeting held February 20, 2007; the February Check Register; the Community Relations/Conservation/Website Activities Report; the Operations Report; and the Engineering Project Status Report. Director Wu complimented staff on the cost efficiency accomplished for the Grand Crossing Project as reported in the Engineering Project Status Report.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried, to approve the Consent Calendar consisting of the minutes of the Regular Board Meeting held February 20, 2007, the February 2007 Check Register, the Community Relations/Conservation/Website Activities Report, the Operations Report, and the Engineering Project Status Report. (Items 9-A-1,2,3,4,&5)

Item 10: Director Expense Reports

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

Upon consideration thereof, it was moved by Director Wu, seconded by Director Flores and unanimously carried, to approve, receive, and file the Board member expense reports for February 2007 meeting attendance. (Item 10)

Item 11: 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 Hilden and unanimously carried, to receive, and file the February 28, 2007, 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 11)

Committee Chair Reports**Item 12: Engineering & Special Projects Committee – Director Wu**

- ◆ The Board is asked to approve Change Order No. 1 for the Walnut Hills Tract No. 50867 Phase I project at a cost of \$18,733.39, which will be paid from the developer’s funds being held by the District.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried, to approve Change Order No. 1 in the amount of \$18,733.39 for the Walnut Hills Tract No. 50867 Phase I project, Work Order 06-2990. (Item 12-A)

- ◆ The Board is asked to review and approve a Mutual Release and Settlement Agreement with Mobassaly Engineering, Inc., which has been reviewed by District legal counsel, and authorize the General Manager to execute the agreement on behalf of the District.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Flores and unanimously carried, to approve a Mutual Release and Settlement Agreement between the District and Mobassaly Engineering, Inc., and authorize the General Manager to execute the agreement. (Item 12-B)

Item 13: Personnel Committee – Director Flores

- ◆ The Board is asked to review and adopt the proposed Customer Privacy Policy and the Employee Privacy Policy, both of which have been reviewed by District legal counsel. Upon Director Wu’s questioning why the staff report mentioned President Chang’s request for a review of District policies when it was his request that the privacy policy be developed, it was explained that this notation was added this one time only to signify that this is a starting point for review of all District policies as requested by President Chang.

Upon consideration thereof, it was moved by Director Flores, seconded by Director Hilden and unanimously carried, to adopt the Customer Privacy Policy and the Employee Privacy Policy. (Item 13-A-1&2)

Item 14: Finance Committee – Director Nettles

- ◆ The Board is asked to receive and file the District's February 2007 monthly Investment Transactions Report.

Upon consideration thereof, it was moved by Director Nettles, seconded by Director Flores and unanimously carried, to receive and file the District's monthly Investment Transactions Report for February 2007. (Item 14-A)

- ◆ The Board is asked to declare fully-depreciated computer and office equipment as surplus property to be disposed of in accordance with District policy, and to consider donating said surplus property to another public or non-profit agency or local public school. It was also noted that the items would remain available for inspection for approximately one week.

Upon consideration thereof, it was moved by Director Nettles, seconded by Director Flores and unanimously carried, to declare the fully-depreciated computer and office equipment as surplus and to authorize the General Manager to offer the items to another public or non-profit agency or local public school before disposing of them by other means allowed under the District's Surplus Property Policy. (Item 14-B)

Item 15: Public Information and Community Relations Committee – President Chang

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

Item 16: Legislative Action Committee – Director Hilden

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

Other Items**Item 17: TVMWD/MWD – Director Hilden**

- ◆ Director Hilden reviewed the meeting summary of the TVMWD Board meeting held on February 21 and asked TVMWD Director De Jesus to expand on the San Gabriel Valley Economic Partnership and the CIP Municipal Lease Agreement items. Mr. De Jesus explained that the participation in the San Gabriel Valley Economic Partnership provides a valuable liaison for water agencies in the Legislature. He then noted that entering into the CIP Municipal Lease Agreement will help to secure additional funding to accomplish mandates to bring treatment plants up to standard and help keep rates stable.
- ◆ The Board is asked to authorize the General Manager and/or Director Hilden, as its TVMWD representative, to engage, when necessary, TVMWD in discussions and correspondence on issues related to budget and rates in order to protect the interests of the District's customers, and to approve presenting the proposed letter requesting reconsideration of exempting the \$30 replenishment water surcharge to TVMWD at their Board meeting the next morning. Mr. Holmes noted that the cost of replenishment water shown in the draft letter should be \$238/af, making the difference between that and the cost of Weymouth water \$270/af, and corrections would be made before sending the letter.

Upon consideration thereof, it was moved by Director Hilden, seconded by Director Nettles and unanimously carried, to authorize the General Manager and/or Director Hilden, as its TVMWD representative, to engage TVMWD in discussions and correspondence on issues related to budget and rates, and to approve presenting the letter to TVMWD requesting reconsideration of exempting the \$30 replenishment water surcharge. (Items 17-B-1&2)

Item 18: The P-W-R Joint Water Line Commission – Director Hilden

- ◆ Director Hilden noted the items included in the Board packet, particularly the Water Usage Report.

Item 19: Puente Basin Water Agency – Director Nettles

- ◆ Director Nettles advised there was nothing to report at this time, but noted a meeting is scheduled for April 11 that will be reported on at the April Board meeting.

Item 20: General Manager Oral Report – Mike Holmes

- ◆ Mr. Holmes commended staff on their excellent coordination of the March 5 P-W-R Joint Powers Agreement signing ceremony. He also thanked TVMWD Director De Jesus for his assistance in arranging for the facility to hold the ceremony and arranging for MWD Chairman Brick to attend. He also noted that the EPA is conducting five different national surveys, one of which the District is required to complete—the 2007 Drinking Water Infrastructure Needs Survey.

Item 21: Directors' Oral Reports

- ◆ Director Hilden reported on his attendance at the Citrus College Water Awareness Day event, mentioning in particular a seismic vulnerability session, and asked Mr. Zimmerman to brief the Board on the seismic stability of the District's tanks, which he did.
- ◆ Director Nettles had no report.
- ◆ Director Flores reported on his attendance at the Diamond Bar Chinese-American New Year's event.
- ◆ Director Wu reported on his attendance at the TVMWD Leadership Breakfast meeting.
- ◆ President Chang had no report.

Item 22: Board of Directors Business – President Chang

- ◆ The Board is asked to approve and adopt a proclamation declaring May 2007 as Water Awareness Month.

Upon consideration thereof, it was moved by Director Nettles, seconded by Director Flores and unanimously carried, to adopt a proclamation declaring May 2007 as Water Awareness Month. (Item 22-A)

- ◆ The Board is asked to consider moving the Monday, April 23, 2007, Board meeting date to Tuesday, April 17th.

Upon consideration thereof, it was moved by Director Nettles, seconded by Director Flores and unanimously carried, to reschedule the April Board meeting to Tuesday, April 17th. (Item 22-B)

- ◆ Mr. Holmes provided a verbal update on the administration building project, noting that staff had met with the architect and is now waiting for him to provide a "fixed fee" contract, a timeline, and conceptual drawings.

Item 23: Legal Reports

- ◆ Legal counsel had no report at this time.

Item 24: Activities Calendar Review – Mike Holmes

- ◆ Mr. Holmes reviewed the March/April/May 2007 calendars.

Item 25: Subjects for Future Meetings

- ◆ Director Wu requested a review of all District policies. He also asked that the District initiate Committee review of the following policies: 1) document control, 2) interim evaluations for employees during their probation periods, 3) utilizing District personnel and funds for the preparation of multilingual translations, and 4) whether or not to continue holding the annual District-hosted mixer.
- ◆ President Chang noted that utilizing the assistance of bilingual District employees to translate materials from Chinese or Spanish into English was instituted at the request of one of our Board members to aid those members who do not understand those languages to keep informed. President Chang also requested future review of the District's lien procedures and improper connection replacement procedures.

Item 26: Adjournment at 6:35 P.M.