

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

**April 17, 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
Ed Castanon, Field Services Manager
Shawna Whallon, Director of Finance
Brian Teuber, Accounting Manager
Sandra Olson, 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.

Guests and others in attendance: Joe Ruzicka, Board Member, TVMWD.

Item 3: Communications to the Board – President Chang

- ◆ **Written** – There was no written correspondence to present at this time.
- ◆ **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 potential 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 March 20th, the March Check Register, the Community Relations/Conservation/Website Activities Report, the Operations Report, and the Engineering Project Status Report. Director Wu requested a change, which was approved, be made to Item 25, Subjects for Future Meetings, of the minutes of the March 20th Board meeting.

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 March 20, 2007, as amended, the March 2007 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 March meeting attendance and to review the individual reports of additional expenses incurred by the District on behalf of each Director during the month of March.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried, to approve, receive, and file the Board member expense reports for March 2007 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 Hilden, seconded by Director Wu and unanimously carried, to receive, and file the March 31, 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 9)

Committee Chair Reports

Item 10: Engineering & Special Projects Committee – Director Wu

- ◆ The Board is asked to award contracts for labor and materials for the Walnut Hills Tract No. 50867 Phase II project.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Flores and unanimously carried, to award contracts for labor and materials for the Walnut Hills Tract No. 50867 Phase II project, Work Order 06-2990, as follows: Labor to Brkich Construction for \$220,862.40; Ductile Iron Pipe for \$66,778.99, Setters/Saddles/Jumpers for \$11,179.45, and Copper Tubing for \$6,122.62 to Western Water Works; Ductile Iron/Miscellaneous Materials for \$14,582.45 to D'Angelo; Gate Valves for \$10,215.55 to Inland Water Works; and Service Materials for \$6,885.30 to Ferguson Waterworks. (Item 10-A)

- ◆ The Board is asked to authorize the appropriation of an additional \$15,000 from the Reservoir Capacity Charge Fund for the exterior coating of Chestnut Hill Reservoir and to award a contract in the amount of \$98,350 to Techno Coatings, Inc. to furnish labor and materials for the project.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Nettles and unanimously carried, to authorize the appropriation of an additional \$15,000 from the Reservoir Capacity Charge Fund and to award a contract in the amount of \$98,350 to Techno Coatings, Inc. to furnish labor and materials for the exterior coating of Chestnut Hill Reservoir, Work Order 07-3029. (Items 10-B-1&2)

- ◆ Regarding the North Side Line Replacement Project at the railroad right-of-way at the Pomona Wastewater Reclamation Plant, the Board is asked to authorize the appropriation of \$200,000 from the Reserve for Replacement Fund, authorize the General Manager to negotiate and execute a time and materials agreement, if necessary, for the installation of approximately 150 feet of 24-inch steel pipe, and find that the project is Categorically Exempt under Section 15302 of the District's CEQA Guidelines as a replacement of an existing facility.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Nettles and unanimously carried, to authorize the appropriation of \$200,000 from the Reserve for Replacement Fund for the North Side Line Replacement Project, Work Order 07-3031, authorize the General Manager to negotiate and execute a time and materials agreement, if necessary, for the installation of approximately 150 feet of 24-inch steel pipe, and find the project is Categorically Exempt under Section 15302 of the District's CEQA Guidelines. (Items 10-C-1,2&3)

Item 11: Personnel Committee – Director Hilden

- ◆ The Board is asked to approve the revised Director Training and Education Policy, which has been reviewed by the Personnel Committee and District legal counsel.

Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu and unanimously carried, to approve the revised Director Training and Education Policy that has been reviewed by Personnel Committee and legal counsel. (Item 11-A)

- ◆ The Board is asked to approve the revised Commission-Agency Member Appointments Policy, which has been reviewed by the Personnel Committee and District legal counsel.

Upon consideration thereof, it was moved by Director Hilden, seconded by Director Flores and carried by a 4 to 1 vote, with Director Wu opposed, to approve the revised Commission-Agency Member Appointments Policy that has been reviewed by Personnel Committee and legal counsel. (Item 11-B)

Item 12: Finance Committee – Director Nettles

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

Upon consideration thereof, it was moved by Director Nettles, seconded by Director Wu and unanimously carried, to approve, receive, and file the District's monthly Investment Transactions Report for March 2007. (Item 12-A)

- ◆ The Board is asked to approve, receive, and file the District's Portfolio Holdings Report as of March 31, 2007.

Upon consideration thereof, it was moved by Director Nettles, seconded by Director Wu and unanimously carried, to approve, receive, and file the District's Portfolio Holdings Report as of March 31, 2007. (Item 12-B)

- ◆ The Board is asked to review the Puente Basin Watermaster Tentative Operating Budget for FY 2007-08 and provide input prior to adoption of the final budget at the Puente Basin Watermaster annual meeting scheduled for May 7, 2007.

Upon consideration thereof, it was moved by Director Nettles, seconded by Director Wu and unanimously carried, to approve, receive, and file the Puente Basin Watermaster Tentative Operating Budget for FY 2007-08. (Item 12-C)

- ◆ The Board is asked to review the Local Agency Formation Commission Proposed Preliminary Budget for FY 2007-08 and provide input for submitting comments by April 23 to be considered at their public hearing scheduled for April 25, 2007.

Upon consideration thereof, it was moved by Director Nettles, seconded by Director Wu and unanimously carried, to receive and file the Local Agency Formation Commission Proposed Preliminary Budget for FY 2007-08. (Item 12-D)

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

- ◆ The Board is asked to consider making a \$1,000 contribution in response to ACWA's request for support to continue the "California's Water" series produced and hosted by Huell Howser for public television. President Chang also requested staff obtain supporting documentation from ACWA, if available, regarding the documented outreach, success, and potential of this program.

Upon consideration thereof, it was moved by Director Chang, seconded by Director Flores and unanimously carried, to authorize a \$1,000 contribution to the "California's Water" series produced by Huell Howser for public television. (Item 13)

Item 14: Legislative Action Committee – Director Hilden

- ◆ The Board is asked to adopt Resolution No. 4-07-526 in support of AB 1010 (Hernandez), San Gabriel Basin Water Quality Authority Act Repeal Date, and Resolution No. 4-07-527 in support of AB 1114 (Eng), San Gabriel Basin Water Quality Authority, and to authorize sending both resolutions with letters to local and state legislators and public officials.

Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu and unanimously carried, to adopt Resolution No. 4-07-526, attached hereto as Exhibit "A," in support of AB 1010 (Hernandez), San Gabriel Basin Water Quality Authority Act Repeal Date, and Resolution No. 4-07-527, attached hereto as Exhibit "B," in support of AB 1114 (Eng), San Gabriel Basin Water Quality Authority, and authorize sending both resolutions with letters to local and state legislators and public officials. (Items 14-A-1&2)

- ◆ The Board is also asked to authorize sending letters to local and state legislators and public officials requesting they oppose, unless amended, AB 1420 (Laird), Water Demand Management Measures.

Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu and unanimously carried, to authorize sending letters to local and state legislators and public officials requesting they oppose, unless amended, AB 1420 (Laird), Water Demand Management Measures. (Item 14-A-3)

- ◆ The Board is asked to authorize sending letters to Governor Schwarzenegger, Senator Feinstein, and other appropriate Federal, State, and local officials noting the District's concern and support for State and Federal efforts that maintain the drinking water ecosystem and economic vitality of the Sacramento Bay-Delta's ecosystem.

Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu and unanimously carried, to authorize sending letters to Governor Schwarzenegger, Senator Feinstein, and other appropriate Federal, State, and local officials noting the District's concern with the Sacramento Bay-Delta. (Item 14-B)

Other Items

Item 15: TVMWD/MWD – Director Hilden

- ◆ Director Hilden reviewed the March 21 Action Line.
- ◆ Mr. Holmes noted the key budget and rate issues that will be discussed at upcoming TVMWD meetings, and specifically at an April 25 Board Workshop where particular items will be discussed at length as follows: 1) a January 1 start date for TVMWD rate increases that will coincide with MWD’s regular new rate start date, which the District supports; 2) the maintaining of TVMWD reserves at the current target level, which the District supports; and 3) the impact of “unbundled” rate versus “single” rate. Both Mr. Holmes and Mr. Hitchman will be attending the April 25 meeting, to which members of the Board were also invited to attend as their schedules permit.

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

- ◆ Director Hilden noted the items included in the Board packet.

Item 17: Puente Basin Water Agency – Director Nettles

- ◆ Director Nettles reported on the April 11 meeting, the minutes for which were included in the Board packet.

Item 18: General Manager Oral Report – Mike Holmes

- ◆ Mr. Holmes discussed the Rialto Feeder shutdown for emergency repairs, which doesn’t impact the District other than we are not receiving water from Miramar. As a result of the shutdown, TVMWD has activated the pump back system to supply water to the City of La Verne and Golden State Water. He also noted the District completed and returned the EPA-required 2007 Drinking Water Infrastructure Needs Survey. In conclusion, he deferred to Ed Castanon who provided an update on a blown saddle that occurred at approximately 6:30 A.M. on Cody Dr. in Diamond Bar, which had been repaired and all customers placed back on line just prior to 5:00 P.M.

Item 19: Directors’ Oral Reports

- ◆ Director Hilden had nothing to report.
- ◆ Director Flores had nothing to report
- ◆ President Chang discussed an email received by staff regarding her conduct at meetings and apologized to the Board for any offenses perceived as a result of her “movements.” She said she intended no disrespect nor did she wish to prevent anyone from speaking . She also noted how pleased she was to see everyone working together at the P-W-R agreement signing ceremony and reported on her attendance at the ACWA Legislative Symposium in Sacramento.
- ◆ Director Nettles reported on his attendance at Earth Day at San Jose Creek Sanitation District, which was sponsored by Central Basin Municipal Water District.
- ◆ Director Wu had nothing to report.

Item 20: Board of Directors Business – President Chang

- ◆ The Board is asked to authorize execution of the ballot to reconfirm the District’s vote be cast for Joseph T. Ruzicka of TVMWD in order to resolve a tie for Special District LAFCO Alternate Representative, and to designate a District representative to attend the LAFCO meeting on April 23.

Upon consideration thereof, it was moved by Director Flores, seconded by Director Hilden and unanimously carried, to authorize the District’s vote again be cast for Joseph T. Ruzicka of TVMWD for Special District LAFCO Alternate Representative, and to designate President Chang as District representative to attend the April 23, 2007, LAFCO meeting. (Item 20-A-1)

- ◆ The Board is asked to comment on and give direction for casting the District’s vote to approve or disapprove the draft rules for the future elections of LAFCO Special District’s Commissioners and Alternates.

Upon consideration thereof, it was moved by Director Chang, seconded by Director Hilden and unanimously carried, to approve the rules for election of LAFCO Special District’s Commissioners and Alternates as determined at the meeting of the Special District Selection Committee on April 23, 2007. (Item 20-A-2)

- ◆ Mr. Holmes presented the General Manager’s Third Quarter Work Plan update.
- ◆ Mrs. Olson provided a summary of the District’s 2007 poster contest, which is an annual event held in conjunction with May Water Awareness Month activities, and called attention to the winning posters on display in the Board Room and the various events that the winners

and their classes/teachers will be invited to as a result of their efforts. She additionally thanked the members of the Board for their assistance in judging the entries in the District's annual poster and essay contest.

Item 21: Legal Reports

- ◆ Legal counsel reported on the proposed court ruling halting state water project pumping.

Item 22: Activities Calendar Review – Mike Holmes

- ◆ Mr. Holmes noted the April/May/June 2007 calendars.

Item 23: Subjects for Future Meetings

- ◆ Director Nettles requested the Public Information and Community Relations Committee reassess its awards to winning contestants in the District's annual essay contest.
- ◆ Director Wu requested staff to visit the need for maintenance in the Board Room. He also asked for clarification of the purpose for the request of an outreach report under Item 13.

Item 24: Adjournment at 6:30 P.M.