

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

**September 18, 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
Brian Teuber, Deputy Director of Finance
Sandra Olson, Director of Administrative Services
Jo Ann Angelico, Assistant Secretary

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

Guests and others in attendance: Joe Ruzicka, Dan Horan, and Xavier Alvarez, Board Members, and Kirk Howie, Assistant General Manager, TVMWD; Bill Wentworth, Walnut Valley Building Corporation Board member; and Rex Yee, Engineering Consultant and candidate for Director, District Division I. Also present were representatives from Diamond Bar, Diamond Ranch, Rowland, and Walnut high schools.

Item 3: High Efficiency Toilet (HET) Distribution Program – President Chang

- ◆ The HET check presentation was delayed to allow for representatives from all the schools to arrive.

Item 4: Public Comment – President Chang

- ◆ President Chang called for public comment on both agenda and non-agenda items, of which there were none.

Item 5: Additions to Agenda – President Chang

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

Item 6: Reorder of Agenda – President Chang

- ◆ None, other than delaying item 3, HET Distribution Program, pending arrival of representatives from all the high schools.

Item 7: Consent Calendar – President Chang

- ◆ The Board was asked to approve the Consent Calendar, including the minutes of the Regular Board Meeting held August 28, the August Check Register, the Community Relations/Conservation/Website Activities Report, the Operations Report, and the Engineering Project Status Report. At the request of Director Wu, the Minutes, Item 7-A-1, were held apart from the Consent Calendar for further discussion.

Considering the remaining Consent Calendar items, it was moved by Director Hilden, seconded by Director Flores and unanimously carried, to receive, approve, and file the August 2007 Check Register, the Community Relations/Conservation/Website Activities Report, the Operations Report, and the Engineering Project Status Report. (Items 7-A-2,3,4&5)

- ◆ Director Wu then noted that he had asked that the Board address the concerns raised by the customer at the August meeting and he did not see that request mentioned in the Minutes under Item 22, items for discussion at a future meeting. President advised that the matter appears under Item 18, Directors' Oral Reports.

Upon consideration thereof it was moved by Director Flores, seconded by Director Wu and unanimously carried, to approve the Minutes of the August 28, 2007 Board meeting as presented.

Item 8: Director Expense Reports

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

Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried, to receive, approve, and file the Board member expense reports for August 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 Preliminary District Statement of Revenues, Expenses, and Change in Net Assets
- ◆ Due to the year-end audit, the District Statement of Net Assets was not available.
- ◆ 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 August 31, 2007, Preliminary District Statement of Revenues, Expenses, and Changes in Net Assets, and the Financial Position and Investment Portfolio for the District. (Items 9-1&3)

Item 3: High Efficiency Toilet (HET) Distribution Program – President Chang

- ◆ This item was taken out of order, awaiting the arrival of representatives from all the schools. With all schools being represented at this time, the Board members presented checks in the amount of \$1,655 to each of the four high schools (Diamond Bar, Diamond Ranch, Rowland, and Walnut) that participated in the District's High Efficiency Toilet Program.

Committee Chair Reports

Item 10: Engineering & Special Projects Committee – Director Wu

- ◆ The Board is asked to consider authorizing the General Manager to execute the CalWARN (Water Agency Response Network) Agreement as modified to improve readiness in light of significant events that have occurred in the field of emergency management and the water sector since the Agreement was last updated in May 2001.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried, to authorize the General Manager to execute the updated CalWARN Agreement, Work Order 04-2843. (Item 10-A)

- ◆ The Board is asked to authorize the General Manager to negotiate and execute a sole source contract with Griffith Company for the installation of the recycled water line extension for the ACE Brea Canyon Road Grade Separation project. It was noted that performing the work in conjunction with the construction of the Brea Canyon Road Grade Separation project would save the District approximately \$320,000 in additional costs that would be incurred as a result of increased installation costs for providing traffic control, pavement removal and restoration, and the potential for escalated cost per foot of pipe should the District install the recycled water line extension after the grade separation project has been completed, thereby justifying the award of a sole source contract.

Upon consideration thereof, it was moved by Director Hilden, seconded by Director Nettles and unanimously carried, to authorize the General Manager to negotiate and execute a sole source contract with Griffith Company for the installation of the recycled water line extension for the ACE Brea Canyon Road Grade Separation project, Work Order 02-2726. (Item 10-B)

- ◆ The Board is asked to award a contract to Malcolm Pirnie to prepare a SCADA System Master Plan for the District.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Nettles and unanimously carried to award a contract in the amount of \$66,105 to Malcolm Pirnie to prepare a SCADA System Master Plan for the District, Work Order 07-3053. (Item 10-C)

Item 11: Personnel Committee – Director Hilden

- ◆ The Board is asked to concur in staff's recommendations for ACWA committee appointment nominees, and/or to recommend other or additional nominees.

Upon consideration thereof, it was moved by Director Flores, seconded by Director Hilden and unanimously carried, to concur with staff's recommendations for ACWA committee assignments and direct staff to transmit the nominees to ACWA. (Item 11-A)

- ◆ The Board is asked to make a determination regarding casting the District's vote for the California Special Districts Association representative to fill Seat B in Region 5.

Upon consideration thereof, it was moved by Director Flores, seconded by Director Wu and unanimously carried, to cast the District's vote for the incumbent, John Fox, directing the General Manager sign and file the completed ballot with CSDA. (Item 11-B)

- ◆ The Board is asked to adopt the proposed new policy addressing the use of cellular telephone and other handheld personal electronic devices while driving a District vehicle.

Upon consideration thereof, it was moved by Director Flores, seconded by Director Hilden and unanimously carried to adopt the proposed Cellular Telephone and Other Handheld Personal Electronic Device Policy as presented. (Item 11-C)

Item 12: Finance Committee – Director Nettles

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

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

- ◆ The Board is asked to approve modification of the District's Rules and Regulations to include an Article 12, "Rules Applicable to Applicants for Affordable Rate Program;" to approve including the Affordable Rate Program discount in Appendix A; and to approve proposed modifications to the Affordable Rate Program Application Form.

Upon consideration thereof, it was moved by Director Nettles, seconded by Director Wu and unanimously carried, to approve adding Article 12, "Rules Applicable to Applicants for Affordable Rate Program" to the District's Rules and Regulations. (Item 12-B-1)

It was then moved by Director Nettles, seconded by Director Wu and unanimously carried, to include the Affordable Rate Program discount in Appendix A of the District's Rules and Regulations. (Item 12-B-2)

Next, it was moved by Director Nettles, seconded by Director Wu and unanimously carried to approve modifications to the Affordable Rate Program Application Form as presented. (Item 12-B-3)

- ◆ The General Manager provided a brief report of the results of staff's review of the discontinued service situation as presented by customer Victoria Workman at the August Board meeting. He also advised that the \$147 security deposit imposed as a result of the account being in default of payment had been waived and would appear as a credit on the customer's next water bill. Mr. Holmes indicated he would send the customer a follow-up letter based on the Board's discussion at this meeting and, as suggested by Director Flores, would arrange to meet with Ms. Workman to review various payment options that could help to prevent such an occurrence from happening again. (Item 12-C)

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

- ◆ The Board is asked to consider making a contribution to the Association of California Water Agencies' (ACWA) statewide public education effort to raise awareness of problems facing California's water system. It was noted that MWD has made a substantial contribution to this effort and that surveys have proven that the general public knows very little about the situation. President Chang felt the District's funding efforts should be kept local and Director Wu agreed. It was noted that ACWA's program is a statewide endeavor, and other Board members said they are hearing the ads on local media and felt a District contribution would be appropriate to help with the massive advertising effort needed to get public support in the state's current water crisis.

Upon consideration thereof, it was moved by Director Nettles, seconded by Director Flores and carried by a 3-2 vote, with Directors Chang and Wu voting against, to provide a \$1,000 contribution to ACWA's California Water Public Education Program.

- ◆ The General Manager provided the Board with a brief overview of the Metropolitan Water District's plans to begin fluoridation of its water supplies in October, noting MWD would be adding fluoride at Weymouth starting November 12, 2007. He also presented information regarding the District's outreach plans for notification of our customers.

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 – Mr. Holmes**

- ◆ Mr. Holmes noted that TVMWD would be meeting the next day and provided a brief review of their agenda topics, noting in particular items pertaining to membership with the New Water Supply Coalition at a cost of \$35,000 per year, and the \$45,000 proposed for outreach ads.

Item 16: 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 August.

Item 17: Puente Basin Water Agency – Director Nettles

- ◆ There was no meeting and, therefore, no report at this time.

Item 18: General Manager Oral Report – Mike Holmes

- ◆ Mr. Holmes referred to the August consent calendar, noting that the District had taken 19,500 gallons per minute into the system and commended the operations staff for their efficiency in monitoring the system. He also noted that, at their meeting in October, the Engineering Committee would be reviewing bids received today for the Arbor Ridge project. He advised that there were eleven bids ranging from \$1.9 million to \$3.1 million and that the engineer's estimate was \$2.1 million.

Item 19: Directors' Oral Reports

- ◆ Director Wu reported on his attendance at the San Gabriel Valley Water Association's annual meeting and the Urban Water Institute Conference.
- ◆ Director Flores had no report.
- ◆ Director Hilden thanked the General Manager and staff for keeping the District in fine order.
- ◆ Director Nettles reported on his attendance at the Industry Manufacturers Council Executive Quarterly meeting.
- ◆ President Chang noted that her report would be addressed under Item 20.

Item 20: Board of Directors Business – President Chang

- ◆ President Chang requested that staff schedule a Town Hall meeting within the next 60 days to consider water supply and reliability issues. Mr. Holmes felt the time frame would work and suggested speakers from the Department of Water Resources, Metropolitan Water District, and our legal team, among others, to talk about the Bay-Delta issue. The question of the cost for a facility, advertising, and notification was brought up, and a cost analysis was requested.

Item 21: Legal Reports

- ◆ Mr. Senecal noted that there is a Town Hall meeting being held in Riverside on September 20 that will address the same issues as proposed for a District Town Hall meeting, which could provide some exposure to draw upon.

Item 22: Activities Calendar Review – Mike Holmes

- ◆ Mr. Holmes noted the September/October/November 2007 calendars as previously provided.
- ◆ Mr. Ruzicka called attention to the TVMWD Leadership Breakfast scheduled for October 18, noting that Timothy Quinn would be speaking on the current water crisis.

Item 23: Subjects for Future Meetings

- ◆ There were no items for future discussion presented at this time.

Item 24: Adjournment of Regular Meeting to Closed Session at 6:21 P.M.

- ◆ The Board entered into closed session in accordance with Government Code Section 54956.9[b] to discuss one case of significant exposure to litigation.

Item 25: Reconvene in Open Session at 6:36 P.M.

- ◆ Mr. Senecal reported that the Board met in closed session in accordance with Government Code Section 54956.9[b] to discuss one case of significant exposure to litigation. Instructions were given to legal counsel, and no action reportable under the Brown Act was taken.

Item 26: Adjournment at 6:38 P.M.