

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

**May 19, 2008
At the Offices of the District**

DIRECTORS PRESENT:

Allen L. Wu, President
Theodore L. Ebenkamp
Edwin M. Hilden
Ling Ling Chang

STAFF PRESENT:

H. Jess Senecal, Legal Counsel
Michael Holmes, General Manager
Erik Hitchman, Assistant General Manager/Chief Engineer
Sandra Olson, Director of Administrative Services
Shawna Whallon, Director of Finance
Jo Ann Angelico, Assistant Secretary

DIRECTORS ABSENT:

Scarlett Kwong (Excused)

The meeting was called to order at 6:01 p.m. with President Wu presiding.

Guests and others in attendance: Directors Joe Ruzicka and Dan Horan, and General Manager Rick Hansen of Three Valleys Municipal Water District.

Item 3: Public Comment – President Wu

- ◆ There were no public comments.

Item 4: Additions to Agenda – President Wu

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

Item 5: Reorder of Agenda – President Wu

- ◆ There were no requests to reorder the agenda.

Item 6: Consent Calendar – President Wu

- ◆ The Board was asked to approve the Consent Calendar, including the minutes of the Regular Board Meeting held April 21 and the Special Board Meeting held April 25; the April 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 Chang and unanimously carried, to receive, approve, and file the Consent Calendar consisting of the minutes of the Regular Board Meeting held April 21 and the Special Board Meeting held April 25; the April Check Register, the Community Relations/Conservation/Website Activities Report, the Operations Report, and the Engineering Project Status Report. (Items 6-1, 2, 3, 4, 5, & 6)

Item 7: Director Expense Reports

- ◆ The Board is 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. Director Chang noted a correction to her expense report, advising that she had purchased her ticket to the CAAW event from another entity; therefore, there being no expense to the District, no report is required under AB 1234.

Upon consideration thereof, it was moved by Director Chang, seconded by Director Hilden and unanimously carried, to receive, approve, and file the Board member expense reports for meeting attendance, amended as requested by Director Chang. (Item 7)

Item 8: 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 for April 2008
- ◆ Review of District Statement of Net Assets for April 2008
- ◆ 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 Ebenkamp and unanimously carried, to receive and file the District Statement of Revenues, Expenses, and Change in Net Assets and the District Statement of Net Assets for April 2008 and the Financial Position and Investment Portfolio for the District. (Items 8-1, 2, & 3)

Committee Chair Reports

Item 9: Engineering & Special Projects Committee – Director Hilden

- ◆ The Board is asked to award a Professional Engineering Services contract for an amount not to exceed \$299,411 to LEE and RO for the preparation of the preliminary design report and final design, and to provide partial construction oversight services for the Parker Canyon Recycled Water Reservoir & Bourdet Pump Modification Project. It was noted that the award amount is for a steel tank to be constructed above-ground; however, if conditions determine a below-ground tank is more viable for the project, the tank would be of concrete design at a reduced cost of \$241,411.

Upon consideration thereof, it was moved by Director Hilden, seconded by Director Ebenkamp and unanimously carried, to award a Professional Engineering Services contract for an amount not to exceed \$299,411 to LEE and RO for the Parker Canyon Recycled Water Reservoir and Bourdet Pump Modification Project. (Item 9-A)

Item 10: Personnel Committee – Director Hilden

- ◆ The Board is asked to adopt a “Resolution of Intention” to amend the District’s contract with CalPERS to provide Class 3 Benefits as follows: \$5,000 Retired Death Benefit (Section 21623.5); Improved Nonindustrial Disability Allowance (Section 21427); and Partial Service Retirement (Section 21118). As discussed and noted in the staff report, these added benefits are at “no cost” to the District.

Upon consideration thereof, it was moved by Director Hilden, seconded by Director Ebenkamp and unanimously carried, to adopt the Resolution of Intention (WVWD Resolution No. 05-08-539), to Approve an Amendment to the Contract between CalPERS and Walnut Valley Water District. (Item 10-A)

Item 11: Finance Committee – President Wu

- ◆ After Ms. Whallon provided a review, the Board was asked to receive, approve, and file the April 2008 monthly Investment Transactions Report.

Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden and unanimously carried, to receive, approve, and file the monthly Investment Transactions Report for April 2008. (Item 11-A)

- ◆ In presenting the Puente Basin Watermaster Final Operating Budget for fiscal year 2008-09, the General Manager stated that staff had expressed the District’s concerns regarding some of the allocations in the budget and the desire for better transparency with the expenditure of public funds at the Watermaster meeting on April 28 and followed up with a letter to the Watermasters. He advised that staff would continue to address the District’s concerns in this regard.

Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Chang with the understanding that her motion was to receive and file, not to approve, and unanimously carried, to receive and file the Puente Basin Final Operating Budget for fiscal year 2008-09. (Item 11-B)

- ◆ The Board is asked to schedule a public hearing to take place during the June 23, 2008, Board meeting to receive comments regarding the District’s Standby Charge assessment.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Chang and unanimously carried, to schedule a public hearing for June 23, 2008, during the regular Board meeting, which begins at 6:00 p.m., to receive comments regarding the District’s Standby Charge assessment. (Item 11-C)

The Board is asked to review the Local Agency Formation Commission (LAFCO) Proposed Preliminary Budget for fiscal year 2008-2009 and provide comments, if any, to be submitted for consideration at the LAFCO public hearing scheduled for May 28, 2008. There being none, the Board moved on to the next item on the agenda. (Item 11-D)

Item 12: Public Information and Community Relations Committee – Director Chang

- ◆ The Board received a verbal report on the progress of the District’s efforts to encourage other public entities in the District’s service area to pursue Metropolitan Water District’s Public Sector Water Efficiency Project funding for the implementation of local water conservation programs for the District and other public entities within the District’s service area. The Board was reminded that last month’s report noted that MWD has awarded funding in the amount of \$120,154.39 to Walnut Unified School District, \$42,508.30 to the City of Walnut, and \$35,066.57 to our District for the purchase of weather-based irrigation controllers. Since that time, the City of Diamond Bar and Rowland Unified School District have also made application for funding through this program.

Item 13: Legislative Action Committee – Director Hilden

- ◆ The Board is asked to authorize the preparation of a Certificate of Recognition for Mr. David Varnum of Congressman Gary Miller’s office in recognition of his support of District programs and issues. Mr. Varnum will soon be moving out of state and, therefore, leaving his position with Mr. Miller. Director Chang advised she would be attending the Diamond Bar City Council meeting the next day, at which time others would be presenting items to Mr. Varnum and offered to present the District’s certificate at that time.

Upon consideration thereof, it was moved by Director Hilden, seconded by Director Ebenkamp and unanimously carried, to authorize the preparation of a Certificate of Recognition for Mr. David Varnum to be presented by Director Chang at the May 20 Diamond Bar City Council meeting. (Item 13-A)

- ◆ The Board is asked to authorize sending a letter to our state legislators noting the District’s “opposition” to SB 27 (Simitian), a bill to approve a \$4 billion general obligation bond on the November 2008 ballot to “provide funds to substantially improve drinking water quality, enhance the environment, and prevent disasters from interrupting California’s major water supply.” Also, this bill applies an incorrect approach to governance of water projects, water conservation and public finance. It applies a triple standard to funding the many needs of the Delta through a new fee based on volumetric use. Noting the conservation requirement for a 25 percent reduction in per-capita water use, President Wu asked for a report identifying the per capita, per day, water use in the District.
- ◆ The Board is also asked to authorize sending a letter to our state legislators noting the District’s “support” for AB 3030 (Brownley), a bill that would permit public water providers to adopt water rate structures for a period of up to five years, so long as the current provision of law affording ratepayers notice and an opportunity to object (Proposition 218) are maintained.

Upon consideration thereof, it was moved by Director Hilden, seconded by Director Ebenkamp and unanimously carried, to authorize sending letters to the District’s state legislators advising of the District’s opposition to SB 27 and support for AB 3030. (Item 13- B-1 & 2))

- ◆ The Board received an update on the State Budget, specifically the Governor’s “May Revise,” and was provided with the Legislative Analyst’s Office summary of the Governor’s revised budget proposal.

Other Items**Item 14: TVMWD/MWD – Director Hilden**

- ◆ Director Hilden noted the next TVMWD meeting would take place on Wednesday, May 21, 2008, and invited the TVMWD representatives to speak if they so desired. Mr. Hansen mentioned the Budget workshop held on April 18 and said he was pleased to report that TVMWD would be adopting its budget this week and that it would include reductions in their capacity charge, fixed charges, and administrative surcharge. He noted that, if receiving its water direct from MWD, the District would be looking at a 14-17% increase; however, with the TVMWD reductions, the increase will be only 12%. Mr. Hansen then reported on the Solar Cup event that had been held over the past weekend, noting that of the five TVMWD schools in the competition two had placed, with Nogales High School coming in first and Charter Oaks coming in third. Unfortunately, the Diamond Bar boat blew a fuse and didn’t do well in the sprint segment; however, they placed first in the technical events and seventh overall. Mr. Hansen said they may again be limited by MWD to only five teams and that TVMWD has not yet decided how they will be selected.

Item 15: 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 April.

Item 16: Puente Basin Water Agency – Directors Ebenkamp/Chang

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

Item 17: General Manager Oral Report – Mike Holmes

- ◆ The General Manager commended District staff on their hard work and efficiency in handling the many activities currently taking place at the District, including the “Water 101” briefing for customers, the High Efficiency Toilet distribution program, the upcoming poster/essay contest awards, and the District-hosted Chamber mixer, along with their daily tasks.

Item 18: Directors' Oral Reports

- ◆ Director Chang commended staff on their excellent “Water 101” for Customers presentations.
- ◆ Director Hilden reported on his attendance at the Chinese American Association of Walnut annual event, the Employment Law Conference, and the JPIA Conference.
- ◆ President Wu reported on his attendance at the Chinese American Association of Walnut annual event and joined with Director Hilden in reporting on the JPIA Conference.
- ◆ Director Ebenkamp reported on his attendance at the Citrus College Water Awareness Day program.
- ◆ Director Kwong was absent from the meeting; however, she had submitted a written report on her attendance at the Chinese American Association of Walnut annual event and the District’s “Water 101” for Customers class.

Item 19: Legal Reports

- ◆ Legal Counsel provided a brief summary regarding AB 36, a bill relating to presenting false information on an application for pension benefits. He also recommended voting “no” on Proposition 98, eminent domain.

Item 20: Activities Calendar Review – Mike Holmes

- ◆ Mr. Holmes noted the May, June, and July 2008 calendars as previously provided. President Wu requested that the June 6 Budget Workshop be scheduled for 7:30 a.m. instead of 8:00 a.m. and all agreed to the change in time. Director Ebenkamp noted his request of staff for an abbreviated “Water 101” presentation at the Rowland Coordinating Council meeting on July 14 at 8:00 p.m.

Item 21: Subjects for Future Meetings

- ◆ There were no requests for items to be discussed at a future meeting.

Item 22: Board of Directors Business

- ◆ Regarding consideration of the proposals submitted for the Headquarters Facility Architectural Services, President Wu requested that staff develop, in conjunction with the final two firms, a cost analysis that compares the two proposals on an “apples to apples” basis to better prepare the Board for the final decision. Pending receipt of that information, this item was carried over to the June 6 Budget Workshop meeting for an update by staff.
- ◆ The Board was provided with the results from the Local Agency Formation Commission (LAFCO) Special District Representative election results. Mr. Donald L. Dear of West Basin Municipal Water District, for whom the District cast its vote, will serve as LAFCO Special District Representative for a term ending in May 2012.

Item 23-24: Adjournment to Closed Session at 7:23 P.M.

- ◆ The Board then met in closed session in accordance with Government Code Section 54956.9[a] to discuss one case of pending litigation, Karen Powers v. Walnut Valley Water District and Does 1-25, Case No. KC052479R.

Item 25: Report of Action in Closed Session at 7:27 P.M.

- ◆ Upon reconvening in open session, Mr. Senecal reported that the Board met in closed session in accordance with Government Code Section 54956.9[a]. The Board was briefed by Legal Counsel on the status of litigation and no action reportable under the Brown Act was taken.

Adjournment at 7:28 P.M.