

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

**September 15, 2008
At the Offices of the District**

DIRECTORS PRESENT:

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

DIRECTORS ABSENT:

Scarlett Kwong

STAFF PRESENT:

Timothy J. Gosney, Legal Counsel
Michael Holmes, General Manager
Erik Hitchman, Assistant General Manager/Chief Engineer
Sandy Olson, Director of Administrative Services
Shawna Whallon, Director of Finance
Brian Teuber, Deputy Director of Finance
Jose Martinez, Management Analyst
Jo Ann Angelico, Assistant Secretary

The meeting was called to order at 6:00 p.m. with President Wu presiding.

Guests and others in attendance: Directors David DeJesus, Dan Horan, Joe Ruzicka, and Assistant General Manager Kirk Howie of Three Valleys Municipal Water District; Attorneys Reed Glycer and Roland Trinh of Lagerlof, Senecal, Gosney and Kruse; Karalee Etheridge of Congressman Miller's office; and Engineers Eric Niu and Ed Means of Malcolm Pirnie, Inc.

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

- ◆ The Board was asked to approve the Consent Calendar, including the minutes of the Regular Board Meeting held August 18, the Special Board Meeting held August 19, and the Special Board Meeting held September 2, 2008; the September check register, the Community Relations/Website Activities Report, the Operations Report, and the Engineering Project Status Report.

Upon consideration thereof, it was moved by Director Hilden, seconded by Director Ebenkamp and unanimously carried, to receive, approve, and file the Consent Calendar consisting of the minutes of the Regular Board Meeting held August 18, the Special Board Meeting held August 19, and the Special Board Meeting held September 2, 2008; the September Check Register; the Community Relations/Website Activities Report; the Operations Report; and the Engineering Project Status Report. (Items 6-1, 2, 3, 4, 5, 6 & 7)

Item 7: Director Expense Reports

- ◆ The Board was 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.

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

Item 8: Treasurer's Report – Shawna Whallon

- ◆ Ms. Whallon presented the Preliminary District Statement of Revenues, Expenses, and Change in Net Assets and the Preliminary Summary of Cash and Investments as of August 31, 2008. She advised that, due to the year-end audit, the District Statement of Net Assets is not available.

Upon consideration of the Treasurer's report, it was moved by Director Hilden, seconded by Director Chang and unanimously carried, to receive and file the Preliminary District Statement of Revenues, Expenses, and Change in Net Assets and the Preliminary Summary of Cash and Investments as of August 31, 2008. (Items 8-A & B)

Committee Chair Reports

Item 9: Engineering & Special Projects Committee – Director Hilden

- ◆ The Board was asked to authorize the appropriation of \$50,000 from the Reserve for Replacement Fund for the relocation of existing water facilities at Grand Avenue and Amar Road.

Upon consideration thereof, it was moved by Director Hilden, seconded by Director Ebenkamp and unanimously carried, to authorize the appropriation of \$50,000 from the Reserve for Replacement Fund for the relocation of existing water facilities at Grand Avenue and Amar Road, W.O. 08-3094. (Item 9-A)

- ◆ The Board was asked to authorize staff to forward a letter to the Puente Basin Watermaster indicating the District's preference for Option 1 to be used to calculate the collective import return flow credit for Rowland and Walnut water districts. Option 1 provides the District with its full proportionate share (444.3 acre-feet) of the allowable 750.0 acre-feet allocation of water delivered within the Puente Basin.

Upon consideration thereof, it was moved by Director Hilden, seconded by Director Ebenkamp and unanimously carried, to authorize sending a letter to the Puente Basin Watermaster indicating the District's preference for Option 1 to be used to calculate the collective import return flow credit for Rowland and Walnut water districts. (Item 9-B)

Item 10: Personnel Committee – Director Hilden

- ◆ The Board was asked to authorize staff to file the 2008 Biennial Review Certification form indicating "No Amendment is Required" to the District's Conflict of Interest Code.

Upon consideration thereof, it was moved by Director Hilden, seconded by Director Ebenkamp and unanimously carried, to authorize the General Manager to sign and staff to file the 2008 Biennial Review Certification form indicating "No Amendment is Required" to the District's Conflict of Interest Code. (Item 10-A)

- ◆ The Board was asked to adopt the 9/80 Work Schedule Policy developed by staff for the implementation of the Board 9/80 Work Schedule that was approved by the Board on September 2, 2008. It was noted that the DRAFT policy was reviewed by Legal Counsel.

Upon consideration thereof, it was moved by Director Hilden, seconded by Director Chang and unanimously carried to adopt the 9/80 Work Schedule Policy as presented. (Item 10-B)

- ◆ The Board was asked to adopt proposed amendments to the Interim Terms and Conditions of Employment addressing an alternative work schedule for both the General Unit and Mid-Management employees for the period of July 1, 2008 through June 30, 2011, and extend the applicable provisions contained therein to the Executive Staff. Mr. Gosney suggested the language in Article 9 be modified to clarify that the workweek will begin at 11:00 a.m. on Friday and end at 10:59 a.m. the following Friday.

Upon consideration thereof, it was moved by Director Hilden, seconded by Director Chang and unanimously carried to adopt amendments, including the language modification in Article 9 to clarify the workweek time frame suggested by Legal Counsel, to the Interim Terms and Conditions of Employment addressing an alternative work schedule for both the General Unit and Mid-Management employees for the period of July 1, 2008 through June 30, 2011, and extend the applicable provisions contained therein to the Executive Staff. (Item 10-C)

Item 11: Finance Committee – Director Ebenkamp

- ◆ Following a review by Ms. Whallon, the Board was asked to receive, approve, and file the August 2008 monthly Investment Transactions Report.

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

- ◆ The Board was asked to declare fully-depreciated computer and office equipment as surplus property to be disposed of in accordance with District policy.

Upon consideration thereof, it was moved by Director Chang, seconded by Director Ebenkamp and unanimously carried, to declare fully-depreciated computer and office equipment as surplus property to be disposed of in accordance with District policy and direct the General Manager to dispose of the items in the following order: 1) solicit interest from local public schools, 2) list remaining items with a "reputable and experienced professional auctioning service,; 3) utilize employee bids for any remaining items, and/or 4) dispose of the remaining items in the "most efficient manner that provides the best value to the District." (Item 11-B)

- ◆ The Board is asked to reject a claim submitted by Liberty Mutual for reimbursement of workers' compensation benefits paid to an employee of Soderberg Manufacturing.

Upon consideration thereof, it was moved by Director Chang, seconded by Director Ebenkamp and unanimously carried, to reject the claim submitted by Liberty Mutual for reimbursement of workers' compensation benefits paid to an employee of Soderberg Manufacturing and to forward the claim to the JPIA for further investigation and processing.

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

- ◆ The Board is asked to approve a District-sponsored Public Agency Conservation Program that would match up to 25% of the Public Sector Program funds awarded by Metropolitan Water District (MWD) to public agencies within the District's service area for the purchase and installation of approved conservation devices. The Board is further asked to authorize the appropriation of \$200,000 from the Rate Stabilization Fund to cover the estimated cost for the District-sponsored Public Agency Conservation Program. Director Ebenkamp asked about other incentive programs offered by MWD as noted in their letter and the ultimate cost these programs would mean to our customers. It was noted that the proposed District-sponsored program is focusing primarily on the irrigation controllers and other water saving devices, which would promote water conservation in large, open areas, typical of those found at public places.

Upon consideration thereof, it was moved by Director Chang, seconded by Director Hilden and carried by a 3-1 vote, with Director Ebenkamp voting "no," to approve a District-sponsored Public Agency Conservation Program and to authorize the appropriation of \$200,000 from the Rate Stabilization Fund to cover the estimated cost for this program, which would match up to 25% of the Public Sector Program funds awarded by MWD to public agencies within the District's service area for the purchase and installation of approved conservation devices. (Item 12-A&B)

Item 13: Legislative Action Committee – Director Ebenkamp

- ◆ There was no Legislative Action Committee business to come before the Board at this time; however, the General Manager mentioned that he received preliminary information that agreement on the State budget has been reached between the Assembly and the Senate.

Other Items

Item 14: TVMWD/MWD – Director Hilden

- ◆ Director Hilden noted that the next TVMWD Board meeting would be held on September 17, 2008.

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 August.

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 reported that Cogsdale is on-site this week working on the second phase of the new accounting system.
- ◆ He also reminded everyone that the next BBQ is scheduled for Friday, September 19, and that public officials have been invited.
- ◆ He advised the Board that he would be out of town September 20-27.
- ◆ He then showed the Board a twisted section of piping that had been damaged by Verizon while working in the District, mentioned that Verizon's contractors have hit eight or nine of our services and that crews have been busy reacting to these incidents. (Verizon pays for the repairs)

Item 18: Directors' Oral Reports

- ◆ Director Chang attended no meetings reportable under AB 1234.
- ◆ Director Ebenkamp reported on his attendance at a CSDA Finance Workshop, the San Gabriel Valley Water Association Annual Meeting, and the SDI Finance Seminar.
- ◆ Director Hilden reported on his attendance at the SDI Finance Seminar and suggested staff arrange for them to present their program at a District workshop.
- ◆ Director Kwong was absent; however, the report given by Director Ebenkamp was sufficient to cover the reporting requirement for her attendance at the San Gabriel Valley Water Association Annual Meeting.
- ◆ President Wu reported on his attendance at the Workplace Harassment Training session held at the District and noted he had received his certification of completion for 2.25 hours.

Item 19: Legal Reports

- ◆ Legal Counsel had nothing to add at this time.

Item 20: Activities Calendar Review – Mike Holmes

- ◆ Mr. Holmes referred to the September, October, and November 2008 calendars as previously provided. He noted in particular the press conference scheduled for September 16 to announce the District's banking agreement with East West Bank.

Item 21: Subjects for Future Meetings

- ◆ Director Wu suggested that the District provide "general" harassment training, not just sexual harassment. Ms. Olson advised that because the mandate is primarily for sexual harassment training, that is the focus of the JPIA presentation; however, they do address some of the other aspects.
- ◆ Director Hilden requested that consideration be given to inviting the Special Districts Institute to present a financial planning workshop for Board members and appropriate staff.

Item 22: Board of Directors Business

- ◆ There was nothing to report under Board Business at this time.

Item 23 Adjourn to Closed Session – 6:50 P.M.**Item 24: Closed Session – 7:21 P.M.**

- ◆ After a brief dinner break, the Board met in closed session in accordance with Government Code §54957(a) to discuss one matter related to public security of facilities.
- ◆ The Board also met in closed session in accordance with Government Code §54956.9[a] and was briefed by Legal Counsel on the status of the Karen Powers v. Walnut Valley Water District and Does 1-24, Case No. KC052479R, litigation.
- ◆ The Board also met in closed session in accordance with Government Code §54956.9 and was briefed by Legal Counsel on the status of the initiation of a lawsuit against Nationwide Public Auction.

Item 25: Report of Action in Closed Session at 7:45 P.M.

Upon reconvening in open session, Mr. Gosney provided the following closed session report:

- ◆ The Board met in closed session in accordance with Government Code §54957(a) to discuss one matter related to public security of facilities and took action, by unanimous vote (4-0), to receive and file the SCADA Master Plan.
- ◆ The Board met in closed session in accordance with Government Code §54956.9[a] and was briefed by Legal Counsel on the status of the Karen Powers v. Walnut Valley Water District and Does 1-24, Case No. KC052479R, litigation. No action reportable under the Brown Act was taken on this matter.
- ◆ The Board also met in closed session in accordance with Government Code §54956.9 and was briefed by Legal Counsel on the status of the initiation of a lawsuit against Nationwide Public Auction for the purpose of recovering the \$12,240 owed the District from the sale of surplus District vehicles. No action reportable under the Brown Act was taken on this matter.

Item 26: SB 610 (Costa) Water Supply Planning/SB 221 (Kuehl) Land Use: Water Supplies

- ◆ Mr. Gosney briefed the Board on the purpose and impact of SB 610 and SB 221, two bills that became effective January 1, 2002. He discussed the manner in which these bills amended the existing requirement for confirmation of a sufficient water supply as a condition to approval of some development projects. It was noted that, under SB 610 water assessments must be furnished to local governments for inclusion in any environmental documentation for certain projects and under SB 221 affirmative written verification of sufficient water supply is required for map approval.
- ◆ The Board had some questions regarding the impact of this legislation and the current water supply conditions on the planned NFL stadium for this area. Mr. Gosney responded to the questions but advised that a more detailed discussion would have to be agendaized and postponed to a future date.

Item 27: Director Orientation

Due to the lateness of the hour, it was determined that continuing the Director Orientation on Conflict of Interest Laws, the Political Reform Act, and other related issues would be postponed to a future date.

Adjournment at 8:50 P.M.