

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

**August 24, 2009
At the Offices of the District**

DIRECTORS PRESENT:

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

STAFF PRESENT:

Timothy J. Gosney, Legal Counsel
Michael Holmes, General Manager
Erik Hitchman, Assistant General Manager/Chief Engineer
Sandra Olson, Director of Administrative Services
Brian Teuber, Director of Finance
Jo Ann Angelico, Assistant Secretary

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

Guests and others in attendance: Director Joe Ruzicka and Assistant General Manager Kirk Howie of the Three Valleys Municipal Water District; Mrs. Barbara Carrera, District customer; and Mr. Ted Carrera, District customer

Item 3: Communications to the Board – President Hilden

- ◆ President Hilden noted a letter from Senator Bob Huff in response to the District's letter of support for AB 474 (Blumenfield), a bill related to water efficiency, that was included in the Board packet.
- ◆ There were no requests to make public comment

Item 4: Additions to Agenda – President Hilden

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

Item 5: Reorder of Agenda – President Hilden

- ◆ There were no requests for reorder of the agenda.

Item 6: Consent Calendar

- ◆ The Board was asked to approve the Consent Calendar, including the minutes of the Regular Board Meeting held July 20, 2009; the August 2009 check register; the Community Relations/Website Activities Report; and the Operations Report.

Upon consideration thereof, it was moved by Director Wu, 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 July 20, 2009; the August 2009 Check Register; the Community Relations/Website Activities Report; and the Operations Report. (Items 6-1, 2, 3, & 4)

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 Wu, seconded by Director Kwong and unanimously carried, to receive, approve, and file the Board member expense reports for meeting attendance. (Item 7)

Item 8: Treasurer's Report – Brian Teuber

- ◆ Mr. Teuber presented the preliminary District Statement of Revenue, Expenses, and Change in Net Assets as of June 30, 2009, and as of July 31, 2009. He also presented the Summary of Cash and Investments as of June 30, 2009 (revised from the July meeting), and the Summary of Cash and Investments as of July 31, 2009. (Due to the year-end audit, the District's Statement of Net Assets was not available.)

Upon consideration of the Treasurer's report, it was moved by Director Ebenkamp, seconded by Director Wu and unanimously carried, to receive and file the preliminary District Statement of Revenue, Expenses, and Change in Net Assets as of June 30, 2009, and as of July 31, 2009. (Item 8-1&2)

Next, it was moved by Director Wu, seconded by Director Ebenkamp and unanimously carried, to receive and file the Summary of Cash and Investments as of June 30, 2009—revised from the July meeting. (Item 8-3)

It was then moved by Director Ebenkamp, seconded by Director Wu and unanimously carried, to receive and file the Summary of Cash and Investments as of July 31, 2009. (Item 8-4)

Committee Chair Reports

Item 9: Engineering & Special Projects Committee – Director Wu

- ◆ There was no Engineering Committee meeting in August and, therefore, nothing to report.

Item 10: Personnel Committee – President Hilden

- ◆ There was no Personnel Committee meeting in August and, therefore, nothing to report.

Item 11: Finance Committee – Director Kwong

- ◆ The Board was asked to receive, approve, and file the July 2009 monthly Investment Transactions Report and the *Revised* Portfolio Holdings Report as of June 30, 2009.

Upon consideration thereof, it was moved by Director Kwong, seconded by Director Wu and unanimously carried, to receive, approve, and file the monthly Investment Transactions Report for June 2009 and the Revised Portfolio Holdings Report as of June 30, 2009. (Item 11-A & B)

- ◆ The Board was asked to approve a Wholesale Potable Water Rate adjustment for water delivered through the Badillo-Grand Transmission Main.

Upon consideration thereof, it was moved by Director Kwong, seconded by Director Wu and unanimously carried, to approve a Wholesale Potable Water Rate Adjustment for water delivered through the Badillo-Grand Transmission Main in the amount of \$713 per acre-foot for Tier I, effective September 1, 2009-December 31, 2010; \$793 per acre-foot for Tier II, effective September 1, 2009-December 31, 2009; and \$823 for Tier II, effective January 1, 2010-December 31, 2010. The Board further approved a Wholesale Potable Water Monthly Base Rate (20-inch meter) of \$12,809, effective September 1, 2009-December 31, 2009, which will be reduced to \$8,913, effective January 1, 2010-December 31, 2010. (Item 11-C)

Item 12: Public Information/Community Relations/Legislative Action – Director Chang

- ◆ Although the Public Information/Community Relations/Legislative Action Committee did not meet in August, staff provided an update on the District's Conservation Outreach Program. It was noted that for July 2009 customers reduced their usage by 13% over the previous three-year average. Ms. Olson also noted that, in addition to the items listed in the written staff report, the District would be participating in the October 10 Walnut Family Festival and Parade. (Item 12)

Other Items**Item 13: TVMWD/MWD – President Hilden**

- ◆ President Hilden advised that he did not attend the TVMWD's Special Board meeting held on Friday, August 21, and asked Director Ebenkamp to report. Director Ebenkamp noted that TVMWD had authorized the expenditure of nearly \$98,000 for a feasibility study for a regional groundwater recovery project in the Main San Gabriel Basin. This project will have four participants, the City of Glendora, the City of Azusa, Rowland Water District, and the Walnut Valley Water District. The Board and staff expressed appreciation to TVMWD for agreeing to fund the study. Mr. Holmes reviewed the steps involved in completing the project, the costs, and the WQA's participation in the project.
- ◆ Director Ebenkamp then asked Mr. Howie to comment on the Chino Basin item on the TVMWD special meeting agenda; however, Mr. Howie indicated that discussion was held during closed session and he was not present.

Item 14: The P-W-R Joint Water Line Commission – President Hilden

- ◆ President Hilden noted the items included in the Board packet, specifically the Water Usage Report for the month of June.

Item 15: Puente Basin Water Agency – Directors Ebenkamp/Chang

- ◆ Director Ebenkamp advised that a Puente Basin Water Agency meeting had been scheduled for August 26, 2009.

Item 16: General Manager Report – Mike Holmes

- ◆ The General Manager had nothing to report but reiterated his gratitude for TVMWD's financial participation in the regional groundwater recovery project.

Item 17: Directors' Oral Reports

(NOTE: Board meeting Minutes provide written reports of Board meeting activities and committee meeting reports are given during the course of regular Board meeting activities)

- ◆ Director Wu noted his meeting with the General Manager and his meeting with the JPIA attorneys. He also attended a Building Ad Hoc Committee meeting, the Finance Committee meeting, the Engineering Committee meeting, and the Board meeting in July. He reported on his attendance at the Chinese-American Association of Walnut annual event and the Chamber Installation Dinner.
- ◆ Director Ebenkamp noted his attendance at the Chamber Installation Dinner, the Building Ad Hoc Committee meeting, Public Information Committee meeting, Personnel Committee meeting, Board meeting, and the Powers vs. WVWD trial in July.
- ◆ Director Hilden noted his meeting with the JPIA attorneys, and his attendance (multiple days) at the Powers vs. WVWD trial, the quarterly IMC meeting, and a Chamber luncheon meeting. Director Hilden also attended the Personnel Committee meeting and the Board meeting in July.
- ◆ Director Kwong noted her attendance at the July Finance Committee meeting and Board meeting.
- ◆ Director Chang attended the July Board meeting. She attended no other meetings reportable under the Brown Act; however, she did wish to congratulate Director Hilden and Ms. Carrera on their success in the election campaign.

Item 18: Board of Directors Business

- ◆ The Board was asked to accept the work as installed and authorize the filing of a Notice of Completion for the Replacement of the North Side Line, Phase III, project.

It was moved by Director Wu, seconded by Director Chang and unanimously carried, to accept the work as installed and authorize the filing of a Notice of Completion for the Replacement of the North Side Line, Phase III, project, W.O. 06-3007. (Item 18A)

- ◆ The Board was asked to adopt Resolution No. 08-09-554 requesting the Los Angeles County Board of Supervisors to permit the Registrar-Recorder/County Clerk to render election services for the November 3, 2009, District election. It was noted that, although the District election is uncontested and will not be on the November ballot, the Registrar still requires such a resolution as part of their election process.

It was moved by Director Wu, seconded by Director Ebenkamp and unanimously carried to adopt Resolution No. 08-09-554 requesting the Board of Supervisors permit the Registrar-Recorder/County Clerk to render election services for the District. (Item 18-B-1)

- ◆ The Board was provided with a 2009 election filing update. It was noted that the District's two open seats were uncontested and, therefore, Director Hilden would continue to represent the District in Division II and Ms. Barbara Carrera would be appointed by the Board of Supervisors to serve the District in Division III, for a four-year term commencing at noon on December 4, 2009 and ending at noon on December 6, 2013. Mr. Holmes noted that \$65,000 had been budgeted for the election, which could now be used for other District needs. (Item 18-B-2)
- ◆ The Board was asked to consider a request from the Irvine Ranch Water District to adopt a resolution in support of its Director, Peer Swan, as a candidate for ACWA Vice President. No action was taken on this item.
- ◆ The Board was asked for direction on casting the District's ballot for the ACWA Region 8 election, noting the options of voting for the Nominating Committee's Slate or individually voting for a Region 8 chair, vice chair, and five board members.

It was moved by Director Wu, seconded by Director Ebenkamp and unanimously carried, to cast the District's vote for the Nominating Committee's Slate in the ACWA Region 8 2010-2011 election. (Item 18-D)

- ◆ The Directors were asked if there was any interest in submitting a nominee to serve on the National Water Resources Association (NWRA) board for the 2010-2011 term. There being no interest, no action was taken on this item. (Item 18-E)
- ◆ The Board was provided with an update on the Delta Legislative Water Package. The General Manager advised it may be necessary to call a special Board meeting if the Board desires to go on record regarding the District's position once the final package is set. (Item 18-F)
- ◆ The Board received an update on the Water Rate Study being prepared by PBS&J. (Item 18-G)
- ◆ President Hilden appointed a Water Rate Study Ad Hoc Committee, naming himself and Director Ebenkamp to represent the Board on said committee. (Item 18-H)

Item 19: Legal Reports

- ◆ Mr. Gosney provided a report on the Butte Environmental Council, et al. v. California Department of Water Resources, et al., Alameda County Superior Court Case No.: RG09-446708, a class action related to Drought Water Bank. He advised that the District, along with many others, had been dismissed from the action.

Item 20: Activities Calendar Review – Mike Holmes

- ◆ Mr. Holmes presented the August, September, and October District calendars as previously provided. The General Manager called attention to the September 9 District barbecue and noted that representatives from the fire department, sheriff's department, and local officials would be invited to attend. Director Wu then asked to postpone the October 19 Board meeting to October 26. As some of the Directors did not have their calendars with them, the executive secretary was asked to follow up with them to determine a mutually acceptable date for the October Board meeting.

Item 21: Items for Future Discussion

- ◆ Director Wu asked that staff look into the circumstances surrounding an accident that occurred over the weekend when a vehicle hit a fire hydrant on Grand Avenue.

Item 22: Adjourn to Closed Session – 6:40 P.M.

- ◆ President Hilden thanked the guests for attending and adjourned to Closed Session.

Item 23: Closed Session – 6:55 P.M.

- ◆ The Board met in closed session in accordance with Government Code §54956.9[a] to discuss one case of pending litigation: (1) Karen Powers v. Walnut Valley Water District and Does 1-25, Los Angeles Superior Court Case No. KC052479R.
- ◆ The Board also met in closed session in accordance with Government Code §54956.8 to discuss price and terms of payment related to one real property matter involving a water transfer being negotiated with AQUA Capital Management.

Item 24: Reconvene in Open Session/Report of Action Taken in Closed Session – 7:38 P.M.

- ◆ The Board met in closed session pursuant to Government Code §54956.9[a] to review one case of pending litigation, Karen Powers v. Walnut Valley Water District and Does 1-25, Los Angeles Superior Court Case No. KC052479R. The Board was briefed by trial counsel on the status of post-trial activities. Counsel was given instruction on how to proceed. No action reportable under the Brown Act was taken.
- ◆ The Board also met in closed session in accordance with Government Code §54956.8 to discuss price and terms of payment related to one real property matter involving a water transfer being negotiated with AQUA Capital Management. The Board was briefed on the current circumstances and staff received instruction on how to proceed. No action reportable under the Brown Act was taken.

Adjournment at 7:40 P.M.

The meeting was adjourned in memory of Ms. Jessica Hwang, a 17 year old Walnut resident who was killed in the aforementioned automobile accident that occurred August 20 on Grand Avenue.