

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

**April 19, 2010
At the Offices of the District**

DIRECTORS PRESENT:

Theodore L. Ebenkamp, President
Barbara A. Carrera
Edwin M. Hilden
Allen L. Wu

DIRECTORS ABSENT:

Scarlett P. Kwong

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
Jose Martinez, Conservation Resources Manager
Jo Ann Angelico, Assistant Secretary

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

Guests and others in attendance: Director Joe Ruzicka and Chief Finance Officer James Linthicum of TVMWD; Mr. Jayson Schmitt, Chandler Asset Management

Item 3: Public Comment – President Ebenkamp

- ◆ There were no requests to make public comment.

Item 4: Additions to the Agenda – President Ebenkamp

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

Item 5: Reorder of Agenda –President Ebenkamp

- ◆ 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 March 15, 2010; the April 2010 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 Wu and unanimously carried, to receive, approve, and file the Consent Calendar consisting of the minutes of the Regular Board Meeting held March 15, 2010; the April 2010 Check Register; the Community Relations/Website Activities Report; the Operations Report; and the Engineering Project Status Report. (Items 6-1, 2, 3, 4, & 5)

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

Item 8: Treasurer's Report – Mr. Teuber

- ◆ Mr. Teuber presented the District Statement of Revenue, Expenses, and Change in Net Assets and the District Statement of Net Assets as of March 31, 2010. Also provided for the Board's review and consideration was the Summary of Cash and Investments as of March 31, 2010.

Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu and unanimously carried, to receive and file the Treasurer's Report, consisting of the District Statement of Revenue, Expenses, and Change in Net Assets as of March 31, 2010; the District Statement of Net Assets as of March 31, 2010; and the Summary of Cash and Investments as of March 31, 2010. (Item 8-1, 2, &3)

Committee Chair Reports

Item 9: Engineering & Special Projects Committee – Director Wu

- ◆ The Board was asked to consider awarding a contract to Malcolm Pirnie, Inc. to complete the implementation and construction of a fully functional SCADA system at a cost of \$3,108,156.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Carrera and unanimously carried, to award a contract in the amount of \$3,108,156 to Malcolm Pirnie, Inc. to complete the implementation and construction of a fully functional SCADA system – Project No. 09-3161. (Item9-A)

- ◆ The Board was asked to authorize the General Manager to execute contracts for labor and materials for the Walnut Hills Village Shopping Center project to replace a portion of the existing 8" ductile iron pipe with 8" PVC pipe where leaks have been experienced.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried to authorize the General Manager to execute contracts for the Walnut Hills Village Shopping Center project (Project No. 10-3172) as follows: the labor contract to T.E. Roberts for \$52,410; the PVC pipe Contract to D. Angelo Co. for \$5,278.98; the DI-Misc. Materials contract to Western Water Works for \$1,481.24; and a contract for gate valves in the amount of \$2,139.03 to Inland Water Works. (Item 9-B)

Item 10: Personnel Committee – President Ebenkamp

- ◆ The Board received a report from staff regarding the annual review of the District's Identity Theft ("Red Flag") program. It was determined that no revisions to the District's program are needed at this time. (Item 10-A)
- ◆ The Board was asked to declare the District's "Policy Guidelines," adopted June 14, 1989, as redundant and obsolete.

Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden and unanimously carried, to declare the District's "Policy Guidelines," adopted June 14, 1989, as redundant and obsolete. (Item 10-B)

Item 11: Finance Committee – Director Wu

- ◆ Mr. Jayson Schmitt, a representative from Chandler Asset Management, presented the District's investment transactions report for the period ending March 31, 2010.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried, to receive, approve, and file the District's monthly investments transactions report and the quarterly summary of investment activities for the period ending March 31, 2010. (Item 11-A)

- ◆ The Board was asked to declare three District vehicles as surplus property for disposal through an auction firm in accordance with past District procedures.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Carrera and unanimously carried, to declare Vehicle No. 15, a 2002 GMC Sonoma truck with 111,000 miles, Vehicle No. 77, a 2000 GMC Sonoma truck with 88,000 miles, and Vehicle No. 87, a 1999 Ford F-150 truck with 95,000 miles, as surplus property for disposal through an auction firm in accordance with District procedures. (Item 11-B)

- ◆ The Board was asked to receive, accept, and file the Puente Basin Watermaster Preliminary Operating Budget for fiscal year 2010-2011 as approved by the Puente Basin Watermasters at their meeting on March 16, 2010. The District's portion of the \$53,350 required for the 2010-2011 operating budget is \$17,498.51.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Carrera and unanimously carried to receive, accept, and file the Puente Basin Watermaster Preliminary Operating Budget for fiscal year 2010-2011 as approved by the Puente Basin Watermasters at their meeting on March 16, 2010, noting the District's obligation at \$53,350 for fiscal year 2010-2011. (Item 11-C)

- ◆ The Board was asked to receive, approve, and file the Puente Basin Water Agency's (PBWA) fiscal year 2010-2011 budget in the amount of \$101,500 as approved by the PBWA Commissioners at their meeting on April 6, 2010. The budget is allocated one-half (\$50,750) each to Walnut and Rowland water districts.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried, to receive, approve, and file the Puente Basin Water Agency's fiscal year 2010-2011 budget in the amount of \$101,500 (the District's portion being one-half, or \$50,750) as approved by the PBWA Commissioners at their meeting on April 6, 2010. (Item 11-D)

- ◆ The Board was asked to approve the revised Cash Reserve Policy and the Cash Reserve Analysis as prepared by staff based on a review of the policy, consideration of the recently approved rates and rate structure, and District reserve balances.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried to approve the revised Cash Reserve Policy and the Cash Reserve Analysis as presented. (Item 11-E)

- ◆ The Board received a verbal update from the Director of Finance, Mr. Teuber, on the status of the prepayment of the 1998 Certificates of Participation that was approved by the Board of Directors at their March 15, 2010, Board meeting. (Item 11-F)

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

- ◆ The Board was asked to approve an increase in the District's Public Agency Conservation Program matching funds from 25% to 35% of the Public Sector funds awarded by Metropolitan Water District to public agencies within the District's service area for the purchase and installation of approved conservation projects to fully allocate the \$200,000 District funding previously approved by the Board for this program.

Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden and unanimously carried to approve an increase in the District's Public Agency Conservation Program matching funds from 25% to 35% of the Public Sector funds awarded by Metropolitan Water District to public agencies within the District's service area. (Item 12-A)

- ◆ The Board received an update on the District's request for federal funding for the Regional Recycled Water Project, and received a copy of a response from Congressman Miller's office advising that the House Republican Conference announced it would not consider any project requests directed toward for-profit entities and that he (Congressman Miller) would not be submitting project request for federal funding this year.

Other Items

Item 13: TVMWD/MWD – Director Hilden

- ◆ Director Hilden reviewed the Action Line Report for TVMWD's March 17, 2010, Board meeting activities.
- ◆ The Board received a report on MWD water rates and charges for fiscal year 2010-2011 as approved at MWD's Board meeting on April 13, 2010. It was noted the MWD Board action would increase the average rate by 7.5% on January 1, 2011, and increase the average rate by 7.5% again on January 2, 2012.
- ◆ The Board also received an update regarding MWD's fiscal year 2010-2011 Water Supply Allocation Plan.

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

- ◆ Director Hilden noted the water use report included in the Board packet.

Item 15: Puente Basin Water Agency –President Ebenkamp

- ◆ President Ebenkamp provided a recap of the PBWA April 6, 2010, meeting activities. A copy of the Minutes from that Special Meeting was included in the Board packet.

Item 16: General Manager Report – Mike Holmes

- ◆ The General Manager advised that, with the resignation of the District's Water Quality/Production & Storage Manager, there had been an interim reorganization assigning the duties of that position to Engineering and Operations department personnel, pending consideration of the proposed District organizational structure for 2010-2011 that would be presented for Board consideration with the budget review. It was noted that this interim reorganization would result in an estimated savings of \$45,000 for the remainder of the fiscal year (April-June).
- ◆ Next, the Board was provided with information regarding Purchased Water for the FY 2009-2010.

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)

- ◆ In addition to the District committee and Board meetings previously reported, Director Hilden reported on his attendance at the TVMWD Board meeting. He also gave reports regarding recent meetings of the Building Ad Hoc Committee and the Water Resources Ad Hoc Committee.
- ◆ In addition to the District committee and Board meetings previously reported, Director Wu noted his attendance at a California Water Policy Conference, a Special District Institute workshop on Human Resources, and the World Water Day held at MWD. He also noted the Building Ad Hoc Committee meeting as reported by Director Hilden.
- ◆ In addition to the District committee and Board meetings previously reported, Director Carrera noted her attendance at a Special District Institute Governance Seminar, the Diamond Bar State of the City Address, an Upper San Gabriel Valley MWD meeting, a San Gabriel Valley Board meeting, a meeting of the Southern California Water Utilities Association, and the AWWA CA-NV Spring Conference.
- ◆ In addition to the District committee and Board meetings previously reported, President Ebenkamp noted his attendance at a Kiwanis Breakfast meeting at which Supervisor Knabe was the keynote speaker, the Regional Chamber Governmental Affairs Committee meeting, and a Southern California Water Utilities Association Meeting. He also noted the Water Resources Ad Hoc Committee meeting.

- ◆ Director Kwong was absent; however, in addition to the Engineering Committee and regular Board meeting, she attended the Diamond Bar State of the City address, the District's landscaping class, a District Lunch 'N Learn meeting, and participated in the District's poster and essay judging.

Item 18: Legal Reports

- ◆ Mr. Gosney provided information regarding a number of bills of interest currently before the legislature.

Item 19: Activities Calendar Review – Mike Holmes

- ◆ In reviewing the activities calendars, Mr. Holmes called attention to the scheduling of a District-sponsored barbecue for May 26, noting that local fire and sheriff department personnel, as well as local officials, would be invited to attend.

Item 20: Items for Future Discussion

- ◆ There were no requests for future discussion items.

Item 21: Board of Directors Business

- ◆ The Board was asked to consider placing an item on the May Board meeting agenda for discussion regarding the District's ad hoc committee structure. The Board concurred with the request and this item will be placed on the May Board meeting agenda for discussion. (Item 21-A)
- ◆ The Board was asked to review the General Manager's 2009-2010 Work Plan update, advise of any suggested revisions, and if no changes are recommended, receive and file the Work Plan update.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Carrera and unanimously carried to receive and file the General Manager's 2009-2010 Work Plan update. (Item 21-B)

- ◆ Ms. Olson reported on the District's 20th annual poster contest. She advised there had been 1,110 participants, representing 42 teachers in 16 schools. A total of 124 posters had been submitted by the schools for consideration in this year's contest. She then called attention to the winning posters that were on display for the Board members to see the results of their judging efforts. The District will hold an awards ceremony for both the poster contest and the essay contest winners on May 25. (Item 21-C)

Item 22: Public Comment on Closed Session

- ◆ There were no requests to comment on either open or closed session items at this time.

Item 23: Adjourn to Closed Session – 7:43 P.M.

- ◆ The Board adjourned to closed session in accordance with Government Code §54956.8 to discuss two real property negotiation matters pertaining to the acquisition of water resources

Item 24: Closed Session – 7:50 P.M.

- ◆ The Board met in closed session in accordance with Government Code §54956.8 to discuss two real property negotiation matters pertaining to the acquisition of water resources.

Item 25: Reconvene in Open Session/Report of Action Taken in Closed Session – 8:10 P.M.

- ◆ It was reported that the Board met in closed session in accordance with Government Code §54956.8, to discuss two real property negotiation matters pertaining to the acquisition of water resources. The Board was briefed on the current circumstances in these matters and instruction was given as to how to proceed. No action reportable under the Brown Act was taken.

Adjournment at 8:11 P.M.