

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

**May 17, 2010
At the Offices of the District**

DIRECTORS PRESENT:

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

DIRECTORS ABSENT:

None

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 Ebenkamp presiding.

Guests and others in attendance: Director Joe Ruzicka and Chief Finance Officer James Linthicum of Three Valleys Municipal Water District

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 April 19, 2010; the May 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 April 19, 2010; the May 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)

At the June 17, 2010, Board meeting, Director Kwong asked that the vote be amended to reflect her abstention with regard to the April 19 Board meeting minutes, as she did not attend that meeting.

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 April 30, 2010. Also provided for the Board's review and consideration was the Summary of Cash and Investments as of April 30, 2010.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden 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 April 30, 2010; the District Statement of Net Assets as of April 30, 2010; and the Summary of Cash and Investments as of April 30, 2010. (Item 8-1, 2, & 3)

Committee Chair Reports

Item 9: Engineering & Special Projects Committee – Director Kwong

- ◆ The Board was asked to accept the work as installed and authorize the filing of a Notice of Completion for the Walnut Hills Tract 50867, Phase V, project.

Upon consideration thereof, it was moved by Director Kwong, seconded by Director Carrera and unanimously carried, to accept the work as installed and authorize the filing of a Notice of Completion for the Walnut Hills tract 50867, Phase V, project – Work Order 06-2990. (Item 9-A)

- ◆ The Board was asked to schedule a public hearing to be held at the July 19 Board meeting to receive and respond to public comments on the District's Public Health Goals (PHG) Report.

Upon consideration thereof, it was moved by Director Kwong, seconded by Director Carrera and unanimously carried, to schedule a public hearing to be held at the July 19 Board meeting to receive and respond to public comments on the District's Public Health Goals (PHG) Report. (Item 9-B)

Item 10: Personnel Committee – President Ebenkamp

- ◆ It was noted that both of the District's 457 deferred compensation plans offer a feature allowing participants the option to borrow from their own funds under certain conditions. The CalPERS plan only requires completion of a loan program employer enrollment form. However, the ICMA plan requires the adoption of a resolution to amend the District's original plan document. Therefore, the Board was asked to adopt Resolution No. 05-10-560, amending the District's current 457 Deferred Compensation Plan with ICMA Retirement Corporation to allow eligible plan participants the ability to borrow funds from their deferred compensation plan account balance.

Upon consideration thereof, it was moved by President Ebenkamp, seconded by Director Hilden and unanimously carried to adopt Resolution No. 05-10-560, amending the District's current 457 Deferred Compensation Plan with ICMA Retirement Corporation to allow eligible plan participants to borrow funds from their deferred compensation plan account balance. (Item 10-A)

Item 11: Finance Committee – Director Wu

- ◆ The Board was asked to receive, accept, and file the District's Investment Transactions Report for the month of April 2010.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Kwong and unanimously carried, to receive, accept, and file the District's Investment Transactions Report for the month of April 2010. (Item 11-A)

- ◆ The Board was asked to schedule a public hearing to be held during the June 2010 Board meeting to receive and respond to comments regarding the District's Standby Charge Assessment.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Kwong and unanimously carried, to schedule a public hearing to be held during the June 2010 Board meeting to receive and respond to comments regarding the District's Standby Charge Assessment. (Item 11-B)

- ◆ The Board received a copy of the proposed Local Agency Formation Commission (LAFCO) FY 2010-2011 budget. The General Manager advised that, although LAFCO had considered the budget for adoption at its meeting on May 12, he would be happy to submit belated written comments on behalf of the Board if so desired. There were no requests to submit written comments regarding the LAFCO proposed FY 2010-2011 budget.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried, to receive and file the LAFCO FY 2010-2011 Proposed Budget. (Item 11-C)

- ◆ 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. He noted that the funds have to be deposited the end of June and the Board would be asked to approve a wire transfer for this purpose at their meeting in June. (Item 11-D)

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

- ◆ The Board was asked to authorize the General Manager to execute a one-year agreement for water education services between the District and the National Theatre for Children for twelve live theatre performances for six elementary schools in the District's service area at a cost of \$1,044 per school. It was noted that, although the agreement is for six schools (the minimum allowed), schools could be added and the charge would be adjusted accordingly, utilizing funds available in the Conservation/Public Information budget.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried to authorize the General Manager to execute a one-year agreement for water education services between the District and the National Theatre for Children. (Item 12-A)

- ◆ The Board considered taking a position on three pieces of legislation presented for review. It was noted that the Association of California Water Agencies is currently negotiating some compromise language for SB 1284, and staff requested authorization to follow-through with a letter to the author once their negotiations are complete.

Upon consideration thereof, it was moved by President Ebenkamp, seconded by Director Kwong and unanimously carried, to take an "Oppose" position on AB 2583 (Hall): Water Treatment, and to authorize sending a letter to the author, with copies to the District's local representatives, addressing the District's concerns. (Item 12-B-1)

It was then moved by President Ebenkamp, seconded by Director Kwong and unanimously carried, to take an "Oppose" position on AB 2049 (Arambula): Water Transfers, and to authorize sending a letter to the author, with copies to the District's local representatives, addressing the District's concerns. (Item 12-B-2)

Next, it was moved by President Ebenkamp, seconded by Director Carrera and unanimously carried, to take a "Support" position on SB 1284 (Ducheny): Water Quality – Mandatory Minimum Civil Penalties, and authorize the General Manager to send a letter to the author, with copies to the District's local representatives, once ACWA has completed its negotiations regarding compromise language issues.

Other Items

Item 13: TVMWD/MWD – Director Hilden

- ◆ Director Hilden reviewed the Action Line Report for TVMWD's April 21, 2010, Board meeting activities.

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 advised there was nothing new to report regarding Puente Basin Water Agency activities.

Item 16: General Manager Report – Mike Holmes

- ◆ The General Manager provided an update on recent water sampling results and follow-up.
- ◆ Next, the Board was provided with updated information regarding Purchased Water for the FY 2009-2010, through April 2010.
- ◆ The General Manager also provided a report on the recent Solar Boat competition at Lake Skinner, noting the District's entry from Walnut High School had placed 6th in the overall standings.

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 a District Building Ad Hoc Committee meeting, the TVMWD Board meeting as previously reported, a Special District Institute Conference, and the ACWA/JPIA and ACWA conference held the first week in May.
- ◆ In addition to the District committee and Board meetings previously reported, Director Wu noted he had taken time to judge the posters submitted to the District, reported on his attendance at a District Building Ad Hoc Committee, and a meeting with the General Manager.
- ◆ In addition to the District committee and Board meetings previously reported, President Ebenkamp noted his attendance at a Regional Chamber breakfast meeting, the Citrus College Water Awareness Day event, and the TVMWD Board meeting, as previously reported.
- ◆ Director Kwong advised she had attended no meetings in April that were reportable under the Brown Act.
- ◆ Director Carrera noted her attendance at the District committee and Board meetings previously reported, as well as the Regional Chamber Breakfast meeting, the Upper San Gabriel Valley MWD Water Forum, the City of Diamond Bar Birthday Celebration, and the April SCWUA meeting.

Item 18: Legal Reports

- ◆ Mr. Gosney mentioned he had received information provided by the Southern California Water Committee that indicated a new report on the Delta Smelt will be coming out soon that will attribute the problems to constituents in the water, specifically ammonia.

Item 19: Activities Calendar Review – Mike Holmes

- ◆ The Board was asked to approve changing the June 28 Board meeting date to June 14 and the August 23 Board meeting date to August 30. As there were conflicts with both dates suggested, alternate dates were discussed for the June meeting and staff withdrew the request to change the date of the August Board meeting.

Upon consideration thereof, it was moved by President Ebenkamp, seconded by Director Hilden and unanimously carried, to reschedule the June 28 Board meeting to June 17 at 6:00 p.m. (Item 19-A)

- ◆ The General Manager then reviewed the District's activities calendars for May-July, noting in particular the Board's Budget Workshop on May 19, the poster/essay contest awards on May 25, and the District barbecue to which local officials, fire and sheriff's department personnel would be invited on May 26.

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 direct staff in casting the District's vote for Regional Chamber of Commerce Directors for the 2010-2011 fiscal year. There were two candidates nominated by the Chamber's 2010 Nominating Committee and write-in candidates are accepted pending verification of membership with the Chamber. Chamber members are asked to vote for two candidates.

Upon consideration thereof, it was moved by President Ebenkamp, seconded by Director Carrera and unanimously carried, to vote for the two candidates nominated by the Chamber Nominating Committee. (Item 21-A)

- ◆ The Board was asked to adopt a proclamation declaring May as Water Awareness Month. It was noted that local city, county, and legislative officials had also been asked to adopt a water awareness month proclamation, some of whom were expected to present their certificates at the District barbecue on May 26.

Upon consideration thereof, it was moved by President Ebenkamp, seconded by Director Carrera and unanimously carried, to adopt a proclamation declaring May as Water Awareness Month. (Item 21-B)

- ◆ In discussing the request to exclude certain subject matters from being assigned to an ad hoc committee for review, staff was directed to develop a policy in this regard for consideration by the Board at a future meeting. Legal Counsel advised that there would be no need to amend the District's Bylaws in this regard, that the policy could just limit the ability of the President to create ad hoc committees pertaining to certain subject matters. (Item 21-C)
- ◆ The Board was presented with results of the LAFCO election. It was reported that Mr. E.G. "Jerry" Gladbach ran unopposed for LAFCO Representative and Ms. Lillian Kawasaki (it was noted that the District cast its vote for her) was elected to serve as LAFCO Alternate. Their terms will end in May 2014.

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 – 7:19 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, and in accordance with Government Code §54956.9(a) to discuss one existing litigation matter concerning Michelle Lin; Esther Hong; D.H. Hwang and Isabella Hwang for decedent Jessica Hwang vs. Dachan Kim; Kyung Lee Kim; City of Industry; Walnut Valley Water District; County of Los Angeles; Doty Bros. Construction Co.; and DOES 1 through 25, Inclusive.

Item 24: Closed Session – 7:44 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, and in accordance with §54956.9(a) to discuss one existing litigation matter.

Item 25: Reconvene in Open Session/Report of Action Taken in Closed Session – 8:00 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. No action reportable under the Brown Act was taken.
- ◆ The Board also met in closed session in accordance with Government Code §54956.9(a) to discuss one existing litigation matter concerning Michelle Lin; Esther Hong; D.H. Hwang and Isabella Hwang for decedent Jessica Hwang vs. Dachan Kim; Kyung Lee Kim; City of Industry; Walnut Valley Water District; County of Los Angeles; Doty Bros. Construction Co.; and DOES 1 through 25, Inclusive. The Board was briefed on the status of the case. No action reportable under the Brown Act was taken.

Adjournment at 8:02 P.M.