

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

**August 23, 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

- ◆ Due to a possibility that he might need to leave early, Director Wu asked that Agenda Item No. 17, Directors' Oral Reports, be moved to precede Agenda Item No. 13, TVMWD/MWD.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Carrera and unanimously carried, to move Agenda Item No. 17 to precede Agenda Item No. 13. (Item 5)

Item 6: Consent Calendar

- ◆ The Board was asked to approve the Consent Calendar, including the minutes of the Regular Board Meeting held July 19, 2010; the August 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 July 19, 2010; the August 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 Kwong 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 reviewed the Preliminary District Statement of Revenue, Expenses, and Change in Net Assets for the period ending June 30, 2010, and for the period ending July 31, 2010. He noted that, due to the fiscal year-end, the District Statement of Net Assets was not available. He then provided for the Board's review and consideration the Summary of Cash and Investments as of July 31, 2010, and the monthly investment transactions report. Mr. Teuber also gave a brief update on the status of the District audit.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Kwong and unanimously carried, to receive and file the Preliminary District Statement of Revenues, Expenses, and Change in Net Assets as of June 30, 2010; the Preliminary District Statement of Revenues, Expenses, and Change in Net Assets as of July 31, 2010; the District's Summary of Cash and Investments as of July 31, 2010; and the monthly Investment Transactions Report. (Item 8-1,2,3,4)

Committee Chair Reports

Item 9: Engineering & Special Projects Committee – Director Kwong

- ◆ The Engineering Committee did not meet in August.

Item 10: Personnel Committee – President Ebenkamp

- ◆ The Personnel Committee did not meet in August.

Item 11: Finance Committee – Director Wu

- ◆ The Finance Committee did not meet in August.

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

- ◆ The Public Information/Community Relations/Legislative Action Committee did not meet in August.

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 Hilden noted, in addition to the District's July Board meeting activities previously reported, his attendance at the Chamber Installation Dinner, an IMC Legislative Update meeting, and the July 20 Diamond Bar City Council meeting.
- ◆ Director Wu noted, in addition to the District's July Board meeting activities previously reported, his attendance at the Chamber Installation Dinner, the July 16 JPIA Executive Committee meeting, the July 20 Diamond Bar City Council meeting, and a customer service matter.
- ◆ Director Carrera noted, in addition to the District's July Board meeting activities previously reported, her attendance at the Chamber Installation Dinner, the July 20 Diamond Bar City Council meeting, a SCWUA field trip to Arrowhead Water, and a San Gabriel Valley Water Association Board Meeting.
- ◆ Director Kwong noted, in addition to the District's July Board meeting activities previously reported, her attendance at the July 20 Diamond Bar City Council meeting.
- ◆ President Ebenkamp noted, in addition to the District's July Board meeting activities previously reported, his attendance at the Chamber Installation Dinner, an IMC Legislative Breakfast meeting, the July 20 Diamond Bar City Council Meeting, and Assemblyman Calderon's Elected Officials Budget Conference.

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

- ◆ Director Hilden reviewed the Action Line Report of Three Valleys' August 18, 2010, Special Board Meeting activities that was included in the Board packet.

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

- ◆ Director Hilden reviewed 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 Board received an update from the Assistant General Manager regarding Purchased Water for the FY 2009-2010, through July 2010.
- ◆ The General Manager then provided information regarding MWD's Weymouth Plant 10-day Shutdown scheduled for March 2011.
- ◆ The General Manager provided an update on the Water Bond legislation, which has been delayed by legislative action to 2012.
- ◆ The General Manager provided an update on the state budget and reviewed several bills of interest that are currently before the Legislature.

Item 18: Legal Reports

- ◆ Mr. Gosney reviewed a number of bills related to elected officials' salaries and benefits that are currently before the Legislature as a result of public concern generated by the City of Bell controversy. He also noted there would be a brief closed session following the regular business meeting.

Item 19: Activities Calendar Review – Mike Holmes

- ◆ The General Manager reviewed the District's activities calendars for August-October.

Item 20: Items for Future Discussion

- ◆ There were no requests for items to be scheduled for future discussion.

Item 21: Board of Directors Business

- ◆ The Board was asked to approve two Joint Resolutions between the County of Los Angeles, the Walnut Valley Water District, and Walnut Valley Water Improvement District No. 5 to participate in the exchange of ad valorem property tax in conjunction with the annexation of the territory known as L 073-2008 to County Lighting Maintenance District (CLMD) 1687, located in the Rowland Heights area. For every \$100 received, the District would receive \$0.0808 and the Walnut Valley Water

Improvement District No. 5 would receive \$0.2411, with the CLMD 1687 receiving \$0.0016 and \$0.0047 respectively.

Upon consideration thereof, it was moved by President Ebenkamp, seconded by Director Hilden and unanimously carried, to approve two Joint Resolutions between the County of Los Angeles, the Walnut Valley Water District, and Walnut Valley Water Improvement District No. 5 as presented. (Item 21-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, which is based on a proportional allocation of imported water delivered within the basin, to be used to calculate the collective import return flow credit.

Upon consideration thereof, it was moved by President Ebenkamp, seconded by Director Hilden and unanimously carried, 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. (Item 21-B)

- ◆ The Board was asked to authorize District Participation in an amount not to exceed \$27,750, utilizing Rate Stabilization funds, and to authorize the General Manager to execute a contract with the low bidder for the Bell Memorial Church, Rowland Heights, project to provide domestic, irrigation (recycled water), and fire service for the expansion of the original church at the facility. The total estimated cost for the project is \$80,100. The church would pay \$60,600 and the District's share would be \$21,000, not including overhead or contingencies.

Upon consideration thereof, it was moved by President Ebenkamp, seconded by Director Wu and unanimously carried, to authorize the use of Rate Stabilization Funds, not to exceed \$27,750, for District participation in the Bell Memorial Church recycled water main extension project, and to authorize the General Manager to execute a contract with the low bidder, following receipt of bids, for the installation of improvements required for the Bell Memorial Church Project No. 09-3171. (Item No. 21-C)

- ◆ The Board was asked to adopt a Resolution of Intention to amend the District's contract with CalPERS to implement a two-tiered retirement formula. Under the two-tiered system, existing employees will retain their current 2.7% @55 pension plan and any new employees hired on or after effective date of the contract amendment would receive the 2% @55 plan.

Upon consideration thereof, it was moved by President Ebenkamp, seconded by Director Hilden and unanimously carried, to adopt a Resolution of Intention to amend the District's contract with calPERS to implement a two-tiered retirement formula. (Item 21-D)

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

Upon consideration thereof, it was moved by President Ebenkamp, seconded by Director Kwong and unanimously carried, to declare the specified fully depreciated office and field equipment as surplus property to be disposed of in accordance with District policy. (21-E)

- ◆ In response to a Director request, the Board received an explanation of the District's closing bill process. (Item 21-F)
- ◆ The Board received a final report on the prepayment of the District's 1998 Certificates of Participation. (Item 21-G)
- ◆ The Board received an updated chart showing the District's activities regarding legislation. (Item 21-H)

Item 22: Public Comment on Closed Session

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

Item 24: Adjourn to Closed Session – 7:05 P.M.

It was moved by Director Hilden, seconded by Director Kwong and unanimously carried, to adjourn to closed session in accordance with Government Code §54956.8 to discuss one real property negotiation matter 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 25: Closed Session – 7:12 P.M.

- ◆ The Board met in closed session in accordance with Government Code §54956.8 to discuss one real property negotiation matter 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 26: Reconvene in Open Session/Report of Action Taken in Closed Session – 7:14 P.M.

- ◆ It was reported that the Board met in closed session in accordance with Government Code §54956.8, to discuss one real property negotiation matter pertaining to the acquisition of water resources. The Board was briefed on the current circumstances in this matter. 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 7:15 P.M.

It was moved by Director Hilden, seconded by Director Kwong and unanimously carried, to adjourn the meeting.