

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

**September 20, 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
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: Directors David DeJesus and Joe Ruzicka and Chief Finance Officer James Linthicum of Three Valleys Municipal Water District; Mr. Joseph Velasco III, Vice President of Orchard Dale 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 August 23, 2010; the September 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 Carrera and unanimously carried (4-0), to receive, approve, and file the Consent Calendar consisting of the minutes of the Regular Board Meeting held August 23, 2010; the September 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 Carrera and unanimously carried (4-0), 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 two months ending August 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 August 31, 2010.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Carrera and unanimously carried (4-0), to receive and file the Preliminary District Statement of Revenues, Expenses, and Change in Net Assets as of August 31, 2010; and the District's Summary of Cash and Investments as of August 31, 2010. (Item 8-1 & 2)

Committee Chair Reports

Item 9: Engineering & Special Projects Committee – Director Wu

- ◆ The Board was asked to authorize the General Manager to execute contracts with the low bidders for labor and materials, following receipt of bids, required for the installation of improvements for the Meadow Pass Road Main Extension, Phase 1, project. The Board was advised that it was necessary to deviate from the usual process of bringing the bids back to the committee and Board in order to meet the City of Walnut's schedule.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried (4-0), to authorize the General Manager to execute contracts with the low bidders for labor and materials required for the installation of improvements for the Meadow Pass Road Main Extension, Phase 1, project. (Item 9)

Item 10: Personnel Committee – President Ebenkamp

- ◆ The Board was asked to consider adoption of the Final Resolution 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 October 2, 2010 will receive the 2% @55 plan.

Upon consideration thereof, it was moved by President Ebenkamp, seconded by Director Wu and unanimously carried (4-0), to adopt the Final Resolution, No. 09-10-567, amending the District's contract with CalPERS to implement a two-tiered retirement formula, effective October 2, 2010. (Item 10-A)

- ◆ The Board was asked to consider adoption of Resolution No. 09-10-565, concurring in the nomination of Mr. Robert Wilson, Director at La Habra Heights Water District, to the ACWA Health Benefits Authority Board of Directors.

Upon consideration thereof, it was moved by President Ebenkamp, seconded by Director Hilden and unanimously carried (4-0), to adopt Resolution No. 09-10-565, concurring in the nomination of Mr. Robert Wilson, Director at La Habra Heights Water District, to the ACWA Health Benefits Authority Board of Directors. (Item 10-B)

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 August 2010.

Upon consideration thereof, it was moved Director Wu, seconded by Director Carrera and unanimously carried (4-0), to receive, accept, and file the District's Investment Transactions Report for the month of August 2010. (Item 11-A)

- ◆ The Board was asked to authorize the General Manager to work with Legal Counsel to negotiate and, following attorney review, execute a three-year contract with Infosend for the District's water bill printing and mailing services. Based on estimates, when compared to the current provider, staff has projected a cost savings of approximately \$59,000 per year, or \$177,000 over the term of the proposed three-year contract. (Contract pricing will be based upon the unit pricing provided in Infosend's proposal.)

Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried (4-0), to authorize the General Manager to work with Legal Counsel to negotiate and, following attorney review, execute a three-year contract with Infosend for the District's water bill printing and mailing services. (Item 11-B)

- ◆ The Board was asked to authorize the General Manager to execute a Professional Services Agreement between the District and Platinum Consulting Group for an amount not to exceed \$19,475 (which is within the General Manager's budgetary authority) for customer service process review consulting services.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Carrera and unanimously carried (4-0), to authorize the General Manager to execute a Professional Services Agreement between the District and Platinum Consulting Group for an amount not to exceed \$19,475 for customer service process review consulting services. (Item 11-C)

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

- ◆ The Board was asked to adopt a resolution in support of a legislative proposal submitted to the Association of California Water Agencies (ACWA) State Legislative Committee for amendments to the Public Utilities Code to make compliance regarding notices to tenants concerning delinquent utility payments more practical by revising statutes previously amended by SB 120 (Lowenthal).

Upon consideration thereof, it was moved by President Ebenkamp, seconded by Director Carrera and unanimously carried (4-0), to adopt Resolution No. 09-10-566 in support of a legislative proposal submitted to the ACWA State Legislative Committee to amend various Public Utilities Code statutes to make compliance regarding notices to tenants concerning delinquent utility payments more practical. (Item 12)

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 committee and Board meetings previously reported, his attendance at the TVMWD Board meeting and the Building Ad Hoc Committee meeting, a report for which was given at the August Board meeting.
- ◆ Director Wu noted, in addition to the District committee and Board meetings previously reported, his attendance at the Building Ad Hoc Committee meeting, as noted at the August Board meeting, and a

Backflow Industry Project Fair. He also noted that he had been unable to attend the Urban Water Institute (UWI) Conference as originally planned due to a personal emergency. (The District received a credit of \$400 to be applied toward the registration fee for a District attendee at next year's annual UWI conference.)

- ◆ Director Carrera noted, in addition to the District committee and Board meetings previously reported, her attendance at the San Gabriel Valley Water Association annual barbecue meeting, the San Gabriel Valley Water Association Board meeting, and a Meals on Wheels fundraiser.
- ◆ President Ebenkamp noted, in addition to the District committee and Board meetings previously reported, his attendance at an MWD conference on Urban Water Management Planning, a meeting with the General Manager and Director of Finance, the District's Student Intern Appreciation Luncheon, and the monthly Regional Chamber Government Affairs Committee meeting.
- ◆ Director Kwong was absent; however, she had attended the District's August Board meeting, as reported in the Minutes for that meeting, and the Summer Intern Appreciation Luncheon, a report for which was provided by President Ebenkamp.

Other Items

Item 13: TVMWD/MWD – Director Hilden

- ◆ Director Hilden reviewed the Action Line Report of Three Valleys' September 15, 2010, Board Meeting activities that was included in the Board packet.
- ◆ TVMWD Director De Jesus commented on the lawsuit regarding MWD's rates filed by the San Diego County Water Authority against MWD and ongoing labor negotiations.

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 FY 2009-2010 through August 2010.
- ◆ The Assistant General Manager provided information regarding MWD Water Supply Allocation Plan revisions.
- ◆ The General Manager then provided an update regarding MWD's Weymouth Plant 10-day Shutdown scheduled for March 2011.
- ◆ The Assistant General Manager also shared information regarding the District's portable regulating station, which he said will be on display at the upcoming barbecue, and the District's reservoir "mixing" system.

Item 18: Legal Reports

- ◆ Mr. Gosney noted there would be a closed session following the regular business meeting.

Item 19: Activities Calendar Review – Mike Holmes

- ◆ The General Manager reviewed the District's activities calendars for September-November.

Item 20: Items for Future Discussion

- ◆ Director Wu requested future discussion, with full Board participation, regarding the District's water rates, more specifically Tier 3, once MWD and TVMWD have provided final information pertaining to Water Supply Allocation Plan accounting from FY 2009-10.

Item 21: Board of Directors Business

- ◆ There were no other business matters to come before the Board at this time.

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 – 7:14 P.M.

The Board adjourned 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; and in accordance with Government Code §54956.9(c) to discuss two potential litigation cases.

Item 24: Closed Session – 7:33 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; and in accordance with Government Code §54956.9(c) to discuss two potential litigation cases.

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 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.
- ◆ The Board also met in closed session in accordance with Government Code §54956.9(c) to discuss two potential litigation cases. Staff and Legal Counsel were given instructions on how to proceed. No action reportable under the Brown Act was taken.

Adjournment at 8:12 P.M.

It was moved by Director Hilden, seconded by Director Carrera and unanimously carried (4-0), to adjourn the meeting in memory of Mr. Joe Dunn, City of Walnut Channel 56 Production Assistant and former Adelphia/Time Warner production manager.