

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

**October 18, 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 (Arrived at 6:05 p.m.)

**DIRECTORS ABSENT:**

None

**STAFF PRESENT:**

H. Jess Senecal, 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; Diamond Bar City Council Member Ling Ling Chang and student intern Kimberly Han; and several other individuals who attended solely to observe the meeting process.

**Item 3: Communications to the Board – President Ebenkamp**

- ◆ Written – The Board received a letter and certificate of participation from the Water Research Foundation (formerly AWWA Research Foundation) acknowledging TVMWD’s renewal of our District’s 2010 subscription.
- ◆ 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 September 20, 2010; the October 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 September 20, 2010; the October 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 (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 September 30, 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 September 30, 2010. (Director Wu arrived during the Treasurer’s Report)

*Upon consideration thereof, it was moved by Director Wu, seconded by Director Kwong and unanimously carried (5-0), to receive and file the Preliminary District Statement of Revenues, Expenses, and Change in Net Assets as of September 30, 2010; and the District’s Summary of Cash and Investments as of September 30, 2010. (Item 8-1 &2)*

## Committee Chair Reports

### Item 9: Engineering & Special Projects Committee – Director Kwong

- ◆ The Board was asked to authorize the appropriation of an additional \$37,000 from the Reserve for Replacement Fund and to award a contract in the amount of \$66,255 to Doty Bros. Construction Co. to furnish labor for the Railroad Casing Repair & Modification project at Valley Blvd. and Morganfield Avenue in the City of Industry.

*Upon consideration thereof, it was moved by Director Kwong seconded by Director Wu and unanimously carried (5-0), to authorize the appropriation of an additional \$37,000 from the Reserve for Replacement Fund and to award a contract in the amount of \$66,255 to Doty Bros. Construction Co. to furnish labor for the Railroad Casing Repair & Modification project at Valley Blvd. and Morganfield Avenue in the City of Industry, P.N. 10-3180. (Item 9-A)*

- ◆ The Board was asked to approve two Joint Resolutions between the County of Los Angeles and 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 113-2005 to County Lighting Maintenance District (CLMD) 1687 located in the Rowland Heights area of Los Angeles County.

*Upon consideration thereof, it was moved by Director Kwong, seconded by Director Carrera, and unanimously carried (5-0), to approve the two Joint Resolutions between the County of Los Angeles and the Walnut Valley Water District and Walnut Valley Water Improvement District No. 5 as presented. (Item 9-B)*

### Item 10: Personnel Committee – President Ebenkamp

- ◆ The Board was advised of the Association of California Water Agencies medical and dental plan coverage increases that would become effective January 1, 2011. It was noted that the PMI (Delta Care HMO) plan and the Vision Service Plan are currently in the middle of a two-year rate guarantee that will remain in effect until December 31, 2011. This was an information only item, requiring no action by the Board of Directors. (Item 10-A)
- ◆ The Board received a copy of the ACWA Health Benefits Authority notice advising that the 2011 Employee Assistance Program contract was renewed with Anthem Blue Cross with no change in premium. (Item 10-B)
- ◆ The Board received information regarding two positions that will become vacant at the end of this year and advised of staff's activities in recruiting to fill the impending vacancies. (Item 10-C)

### 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 September 2010.

*Upon consideration thereof, it was moved Director Wu, seconded by Director Hilden and unanimously carried (5-0), to receive, accept, and file the District's Investment Transactions Report for the month of September 2010. (Item 11-A)*

- ◆ The Board received a verbal update regarding the status of the FY 2009-2010 audit report. (Item 11-B)
- ◆ The Board was advised of a change in ownership for the provider of the District's recently implemented finance/customer service software programs. (Item 11-C)

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

- ◆ There were no Public Information/Legislative Action matters to come before the Board at this time.

## Other Items

### Item 13: TVMWD/MWD – Director Hilden

- ◆ Director Hilden reported on TVMWD's September Board meeting activities.
- ◆ It was noted that the next TVMWD Board meeting is scheduled for October 20, 2010.
- ◆ The Board reviewed and discussed TVMWD's comments on proposed amendments to the Main San Gabriel Basin Watermaster Judgment.

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

- ◆ Director Hilden reviewed the P-W-R water use report included in the Board packet.
- ◆ It was noted that the next meeting is scheduled for October 21, 2010.

### Item 15: Puente Basin Water Agency – President Ebenkamp

- ◆ President Ebenkamp advised that a meeting is scheduled for 4:00 p.m. to follow the P-W-R Joint Water Line Commission meeting on October 21, 2010.

**6:30 P.M.**

- ◆ Director Wu asked to give his report at this time as he had to leave due to a family emergency. He then noted, in addition to the District committee and Board meetings previously reported, his attendance at a meeting at Walnut City Hall, the Walnut Valley Unified School District check presentation, the Rowland Heights Buckboard Days Parade, and the Rowland Heights Chinese Association annual event

**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 September 2010.
- ◆ The General Manager provided an update regarding MWD's Weymouth Plant 10-day Shutdown scheduled for March 2011.
- ◆ The General Manager also provided an update on the Customer Service process review that is currently underway.
- ◆ The General Manager also commented on a recent Valve Repair project at Steeplechase. Diamond Bar City Councilmember Chang commended the District and staff on their handling of this repair project. She said the City had received no complaints.
- ◆ The General Manager also noted information received regarding an MWD ten-year rate projection, District staff's participation in the Chamber Utility Outreach Committee, and noted the status on several legislative matters.
- ◆ TVMWD Director David DeJesus reported that Mr. Jack Foley had been elected to serve for a two-year term as MWD chair.

**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)

- ◆ As previously reported, Director Hilden attended District committee and Board meetings, and the TVMWD September Board meeting
- ◆ Director Carrera noted, in addition to the District committee and Board meetings previously reported, her attendance at the Industry Manufacturers Council Executive Quarterly Luncheon, the Walnut Valley Unified School District check presentation, and the Board-sponsored employee appreciation barbecue
- ◆ President Ebenkamp noted, in addition to the District committee and Board meetings previously reported, his attendance at the Industry Manufacturers Council Executive Quarterly Luncheon, the Rowland Heights Chinese Association annual dinner, the Board-sponsored employee appreciation barbecue, the Regional Chamber Government Affairs Committee meeting, a Region 8 program on Salt Water Management, and his participation in an AWWA Webcast
- ◆ Director Kwong noted, in addition to District committee and Board meetings previously reported, her attendance at a Chinese Institute of Engineers-USA/SoCal dinner and, although she was unable to attend, her review of the September Board meeting materials
- ◆ Director Wu's report was given earlier in the meeting.

**Item 18: Legal Reports**

- ◆ Mr. Senecal 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 October-December.

**Item 20: Items for Future Discussion**

- ◆ Director Hilden requested that staff update the Board on "Arc Flash" training and implementation.

**Item 21: Board of Directors Business**

- ◆ The Board was asked for direction in completing the Ballot to elect the Association of California Water Agencies 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 approve votes for ACWA's Health Benefits Authority for the candidates listed on the ballot in the Northern Region (agency with less than 20 participating employees), Northern (general), Southern (agency with less than 20 participating employees). The Board declined to vote for the Southern (general) ballot nominees. (Item 21-A)*

- ◆ The Board was asked to receive, review, revise as deemed appropriate, and accept the General Manager's FY 2010-2011 Work Plan quarterly update.

*Upon consideration thereof, it was moved by Director Hilden, seconded by Director Kwong, and unanimously carried (4-0), to receive and approve the General Manager's FY 2010-2011 Work Plan. (Item 21-B)*

**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 – 6:58 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 one potential litigation case.*

**Item 24: Closed Session – 7:20 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 one potential litigation case.

**Item 25: Reconvene in Open Session/Report of Action Taken in Closed Session – 7:43 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 one potential litigation case. Staff and Legal Counsel were given instructions on how to proceed. No action reportable under the Brown Act was taken.

**Adjournment at 7:44 P.M.**

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