

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

**December 20, 2010  
At the Offices of the District**

**DIRECTORS PRESENT:**

Theodore L. Ebenkamp, President  
Barbara A. Carrera  
Edwin M. Hilden (arrived at 6:06 p.m.)  
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 of Three Valleys Municipal Water District; and Diamond Bar City Council Member Ling Ling Chang

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

- ◆ Received correspondence from the ACWA/JPIA providing a safety award certificate and check to a District employee for his outstanding contribution to the District's health and safety programs.
- ◆ Diamond Bar City Council Member Ling Ling Chang presented a certificate to President Ebenkamp in recognition of his leadership as President of the Board during the past year.

**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 November 15, 2010; the December 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 Wu, 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 November 15, 2010; the December 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 Kwong, 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 District's Statement of Revenue, Expenses, and Change in Net Assets and the District's Statement of Net Assets as of November 30, 2010. He noted that, with the completion of the District audit, these reports are now final and no longer preliminary. He then provided for the Board's review and consideration the Summary of Cash and Investments as of November 30, 2010. (*Director Hilden arrived during the Treasurer's Report.*)

*Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried (5-0), to receive and file the District's Statement of Revenues, Expenses, and Change in Net Assets; the District's Statement of Net Assets; and the District's Summary of Cash and Investments as of November 30, 2010. (Item 8-1, 2, & 3)*

**Committee Chair Reports**

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

- ◆ The Board was asked to approve adjustments to the District's Wholesale Potable Water Rate for water delivered through the Badillo-Grand Transmission Main.

*Upon consideration thereof, it was moved by Director Kwong seconded by Director Carrera and unanimously carried (5-0), to set the Monthly Base Rate for a 20-inch meter at \$7,026, effective January 1, 2011 through December 31, 2011; and to set the Potable Water Wholesale Commodity Rate for Tier I at \$775 per acre-foot and for Tier II at \$900 per acre-foot for water delivered through the Badillo-Grand Transmission Main, effective January 1, 2011 through December 31, 2011. (Item 9-A)*

- ◆ The Board was asked to authorize a professional services contract with Carollo Engineers, Inc. for preparation of the District's 2010 Urban Water Management Plan at a cost of \$51,800. Staff noted the main factors focused on in recommending Carollo Engineers were previous experience and a comprehensive understanding of the scope-of-work and regulatory requirements for this project.

*Upon consideration thereof, it was moved by Director Kwong, seconded by Director Carrera and unanimously carried (5-0), to authorize a professional services contract with Carollo Engineers, Inc., for preparation of the District's 2010 Urban Water Management Plan at a cost of \$51,800. (Item 9-B)*

**Item 10: Personnel Committee – President Ebenkamp**

- ◆ Because the CPI increase is less than the 1% spousal medical buyback commitment, the Board was asked to approve, in accordance with the Terms and Conditions of Employment, that no cost-of-living adjustment be given for calendar year 2011.

*Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu and unanimously carried (5-0), to approve no cost-of-living adjustment for calendar year 2011. (Item 10-A)*

- ◆ The Board was asked to approve proposed modifications to the District's Identity Theft Prevention (Red Flag) Program to include provisions for the upcoming acceptance of credit card payments from District customers.

*Upon consideration thereof, it was moved by President Ebenkamp, seconded by Director Hilden and unanimously carried (5-0), to approve modifications to the District's Identity Theft Prevention Program as presented. (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 November 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 as of November 30, 2010. (Item 11-A)*

**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 November 17 Board meeting activities as well as the TVMWD Special Board meeting held on December 8, 2010.

**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.

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

- ◆ President Ebenkamp advised that the Puente Basin Water Agency would be meeting on December 21, 2010.

**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 November 2010.
- ◆ The General Manager provided an update regarding MWD's Weymouth Plant 10-day Shutdown scheduled for March 2011.
- ◆ The General Manager advised that staff would review District security procedures to ensure we are as prepared as possible for insidious situations. Following staff review, a report would then be presented to the Board in closed session, with law enforcement present to meet Brown Act requirements.
- ◆ The Board received a verbal report of the December 14, 2010, Building Corporation meeting at which the Corporation officers took action to commence the process to dissolve the Corporation. At the Board's request, staff will prepare plaques for presentation to each of the Corporation Board members at a future District Board meeting.
- ◆ Following up on an earlier request by the Board, the General Manager advised that staff would commence numbering District Minute Orders beginning with the January 2011 Board meeting.

**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 Carrera attended District committee and Board meetings that were previously reported.
- ◆ Director Kwong noted, in addition to District committee and Board meetings previously reported, she had met with the General Manager and Assistant General Manager, she stopped by the District during the HET return, she attended the Chamber Leaders Luncheon, a Chinese Elected Officials Law Day, EDI/CRI (media for Chinese community) Reception, Diamond Bar Community Foundation event, a Media Central Inc. Launch Reception at which she presented a certificate, and the Diamond Bar High School Performing Arts Showcase event.
- ◆ Director Hilden noted, in addition to District committee and Board meetings previously reported, his attendance at the Annual Public Safety Luncheon, a Building Ad Hoc Committee meeting, a Chamber Leaders Luncheon, all of which were reported last month. He also attended the annual Diamond Bar Community Foundation event, and the ACWA-JPIA and ACWA Fall conferences.
- ◆ Director Wu noted, in addition to District committee and Board meetings previously reported, he attended the Building Ad Hoc Committee meeting and the ACWA/JPIA Conference as reported by Director Hilden.
- ◆ President Ebenkamp noted, in addition to the District committee and Board meetings previously reported, his attendance at a MWDOC Delta Environmental Lawsuits program and the annual Public Safety Appreciation Luncheon, both of which he reported last month. He also attended a Rowland Heights Community Coordinating Council Meeting, a RUSD Connections to the Future event, the Diamond Bar Community Foundation annual event, an ACWA Webinar on Hexavalet Chromium, and the TVMWD Board meeting as previously reported by Director Hilden.

**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 December 2010 and January-February 2011.

**Item 20: Items for Future Discussion**

- ◆ Director Hilden noted his previous request for an arc flash presentation, which will be given at the January Board meeting.
- ◆ Director Wu noted the District's ranking in the JPIA liability program and asked for Personnel Committee review to see what can be done to help prevent future losses.
- ◆ Director Wu also asked that the Personnel Committee review ways in which to encourage Board members to attend TVMWD Board meetings and committee meetings.

**Item 21: Board of Directors Business**

- ◆ The Board was provided with a schedule of key events and conferences for 2011 as an information item. (Item 21-A)
- ◆ The Board received a demonstration of the District's upgraded IVR (Interactive Voice Response) System. (Item 21-B)

**Item 22: Annual Board Reorganization**

- ◆ Officers were rotated in accordance with the "Board Reorganization Rotation Policy" as follows (Item 22-A):
  - Scarlett P. Kwong, President
  - Allen L. Wu, First Vice President
  - Edwin M. Hilden, Second Vice President
  - Barbara A. Carrera, Assistant Treasurer
  - Theodore L. Ebenkamp, Director
- ◆ It was determined that Board Appointments to the offices of Secretary, Treasurer, Assistant Secretary, and Second Assistant Treasurer would remain the same.

*It was moved by President Kwong, seconded by Director Ebenkamp and unanimously carried, that the Board appointment positions would remain as follows: Michael K. Holmes, District Secretary; Jo Ann Angelico, Assistant Secretary; Brian Teuber, Treasurer; Erik Hitchman, Second Assistant Treasurer. (Item 22-B)*

- ◆ Standing Committee positions were selected on a "chain of command" basis in accordance with the "Standing Committee Selection Process," with the first choice going to the president, second choice to the first vice president, third choice to the second vice president, and so on down the line, repeating in the same order, until all positions were filled as follows (Item 22-C):

<b>Committee</b>	<b>Chair</b>	<b>Member</b>	<b>Alternate</b>
Engineering	Director Wu	Director Hilden	Director Ebenkamp
Finance	Director Kwong	Director Wu	Director Hilden
Personnel	Director Kwong	Director Hilden	Director Carrera
Public Info/Legislative	Director Carrera	Director Ebenkamp	Director Kwong

- ◆ It was noted that ad hoc committee and commission/agency assignments will be made by President Kwong at the January Board meeting. She requested the Directors to provide her with their assignment preferences before the end of the year, if possible, but no later than January 7. Director Wu requested a copy of the ACWA HBA meeting schedule. (Item 22-D)

**Item 23: Proposed 2011 Board Meeting Schedule**

- ◆ The Board was asked to approve a proposed Board meeting schedule for 2011. It was noted that, if the Board approves the schedule as presented, it could still be changed should the need arise. In that regard, the General Manager advised that Director Ebenkamp had mentioned he has a conflict with the proposed May Board meeting date, which will be addressed at a later date. The General Manager also advised that, since the committee scheduling practice utilized last year has worked well, unless there are objections, staff will continue with the current procedure to confirm meeting schedules on a monthly basis with each committee chair. The Board concurred with continuing that process.

*Upon consideration thereof, it was moved by Director Wu, seconded by Director Ebenkamp and unanimously carried (5-0), to approve the 2011 Board meeting schedule as presented with the condition that dates may be adjusted as needed. (Item 23-A)*

**Item 24: Public Comment on Closed Session**

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

**Item 25: Adjourn to Closed Session – 7:10 P.M.**

*The Board adjourned to closed session in accordance with Government Code §54956.8 to discuss 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, Case No. BC433130.*

**Item 26: Closed Session – 7:34 P.M.**

- ◆ The Board met in closed session in accordance with Government Code §54956.8 to discuss 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, Case No. BC433130.

**Item 27: Reconvene in Open Session/Report of Action Taken in Closed Session – 7:41 P.M.**

- ◆ It was reported that the Board met in closed session in accordance with Government Code §54956.8, to discuss real property negotiation matters pertaining to the acquisition of water resources. The Board was briefed on the current circumstances and counsel was given instruction on how to proceed 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, Case No. BC433130. The Board was briefed on the status of the case. No action reportable under the Brown Act was taken.

**Adjournment at 7:42 P.M.**

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