

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

**July 18, 2011  
At the Offices of the District**

**DIRECTORS PRESENT:**

Barbara A. Carrera  
Theodore L. Ebenkamp  
Edwin M. Hilden  
Allen L. Wu (arrived at 5:08 p.m.)

**DIRECTORS ABSENT:**

Scarlett P. Kwong, President

**STAFF PRESENT:**

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, Executive Secretary  
Gabriela Sanchez, Executive Assistant

The meeting was called to order at 5:00 p.m. with Second Vice President Hilden presiding.

Guests and others in attendance: Director Joe Ruzicka, Director David De Jesus, and Finance Director James Linthicum of Three Valleys Municipal Water District; Mr. Ed Chavez of Upper San Gabriel Valley MWD.

**Item 3: Public Comment – Vice President Hilden**

- ◆ There were no requests to make public comment.

**Item 4: Additions to the Agenda –Vice President Hilden**

- ◆ There were no requests for additions to the agenda.

**Item 5: Reorder of Agenda – Vice President Hilden**

- ◆ 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 June 20; the July 2011 check register; the Community Relations/Website Activities Report; the Operations Report; and the Engineering Project Status Report

**Motion No. 11-07-172: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and carried (3-0), to receive, approve, and file the Consent Calendar consisting of the minutes of the Regular Board Meeting held June 20; the July 2011 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. Director Ebenkamp advised that his expense report shows the date of the Puente Basin Water Agency Commission meeting as June 21, which should be amended to note the correct meeting date of June 27.

**Motion No. 11-07-173: Upon consideration thereof, it was moved by Director Carrera, seconded by Director Ebenkamp and carried (3-0), to receive, approve, and file the Board member expense reports for meeting attendance, amending Director Ebenkamp's expense report to show June 27 as the date for the Puente Basin meeting. (Item 7)**

**Item 8: Treasurer's Report – Mr. Teuber**

- ◆ Mr. Teuber advised that, due to the fiscal year-end, the District's Statement of Revenues, Expenses, and Change in Net Assets; and the District's Statement of Net Assets would not be available until the August Board meeting. He then provided for the Board's review and consideration the District's Summary of Cash and Investments as of June 30, 2011.

**Motion No. 11-07-174: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and carried (3-0), to receive and file the Summary of Cash and Investments as of June 30, 2011. (Item 8)**

**Committee Chair Reports**

**Item 9: Engineering & Special Projects Committee – Vice President Hilden**

- ◆ The Board was asked to authorize the General Manager to execute an agreement with Los Angeles Royal Vista Golf Courses, Inc. (LARV) for the lease of 26 acre-feet of the District's Puente Basin Water Rights at a cost of \$481 per acre-foot.
- ◆ The Board was informed that the District will continue to participate with the City of Industry and Rowland Water District by each leasing to LARV one-third of the total request.

**Motion No. 11-07-175:** *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and carried (3-0), to authorize the General Manager to execute an agreement with Los Angeles Royal Vista Golf Courses, Inc. for the lease of 26 acre-feet of the District's Puente Basin Water Rights at a cost of \$481 per acre-foot. (Item 9-A)*

- ◆ The Board was asked to authorize the General Manager to award contracts for labor and materials for the 2625 Brea Canyon Cut-Off Road project, Tract 54341 (W.O. 07-3055).

**Motion No. 11-07-176:** *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and carried (3-0), to authorize the General Manager to award contracts for labor and materials for the 2625 Brea Canyon Cut-Off Road project as follows: (Item 9-B)*

<u>Bid</u>	<u>Contractor/Supplier</u>	<u>Price</u>	<u>Delivery</u>
Labor	Doty Bros.	\$73,709.25	N/A
Ductile Iron Pipe	HD Supply	\$19,607.80	5-10 days
Valves	Inland Water Works	\$3,066.42	2-3 days
Setters/Saddles/Jumpers	HD Supply	\$6,535.38	5-10 days
Service Materials	HD Supply	\$3,468.76	5-10 days
DI-Misc. Materials	HD Supply	\$4,630.30	10-15 days

(Vice President Wu arrived at 5:08 p.m.)

**Item 10: Personnel Committee – Vice President Hilden**

- ◆ The Board was asked to authorize the General Manager to execute the Employment Relations Consortium Agreement with the law firm of Liebert Cassidy Whitmore (LCW), special labor counsel for the fiscal year ending June 30, 2012, for a fee of \$2,530.

**Motion No. 11-07-177:** *Upon Consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and unanimously carried (4-0), to authorize the General Manager to execute the Employment Relations Consortium Agreement with Liebert Cassidy Whitmore for fiscal year ending June 30, 2012, for a fee of \$2,530. (Item 10)*

**Item 11: Finance Committee – President Wu**

- ◆ Mr. Teuber reviewed the District's Investment Transactions Report for June 2011, following which the Board was asked to receive, accept, and file the report.

**Motion No. 11-07-178:** *Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried (4-0), to receive, accept, and file the District's Investment Transactions Report as of June 30, 2011. (Item 11-A)*

- ◆ The Board was asked to consider adoption of Resolution No. 07-11-572, the annual statement of the District's Investment Policy, which would then replace Resolution No. 07-10-562.

**Motion No. 11-07-179:** *Upon consideration thereof, it was moved by Director Wu, seconded by Director Ebenkamp and unanimously carried (4-0), to adopt Resolution No. 07-11-572, the annual statement of the District's Investment Policy, replacing Resolution No. 07-10-562. (Item 11-B)*

- ◆ The Board was asked to direct the General Manager to continue the District's participation in ACWA's Advance Deposits on Dues Program in the amount on deposit (\$28,900) for an additional five-year term, earning an interest rate of 4% with a 4% return of principal.

**Motion No. 11-07-180:** *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Carrera and unanimously carried (4-0), to continue District participation in the ACWA Dues on Deposit Program and authorize the General Manager to roll over the balance on deposit with ACWA (\$28,900), for an additional five years at an interest rate of 4% with a return of 4% of principle. (Item 11-C)*

**Item 12: Public Information/Community Relations/Legislative Action –Director Carrera**

- ◆ Director Carrera advised that the Committee had met on July 13 and discussed several matters, including federal legislation of interest, the State budget, and other miscellaneous items; however, there were no Public Information/Community Relations/Legislative Action matters to come before Board at this time.

**Other Items**

**Item 13: TVMWD/MWD – Vice President Hilden**

- ◆ Director Hilden reviewed the Action Line Report of TVMWD Board meeting activities for their June 15 Board meeting. He then invited TVMWD Director David De Jesus to summarize current Metropolitan Water District (MWD) matters. Mr. De Jesus provided a brief update on MWD's long-range financial plans and its review of their water purchase order process.

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

- ◆ Director Carrera reviewed the June water use report included in the Board packet.

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

- ◆ Director Ebenkamp advised that the next Puente Basin Water Agency meeting is tentatively scheduled for July 27. He also noted that the Agency had met in June and received an update of water resource acquisition efforts.

**Item 16: General Manager Report – Mike Holmes**

- ◆ The General Manager reviewed the District’s activities calendars for July-September 2011, noting in particular no committee meetings were scheduled for August. (*Item 16*)
- ◆ The General Manager then introduced the guests that were in attendance.

**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. Directors include reports of their participation in non-expense/per diem paid community events as a matter of information.)

- ◆ In addition to District committee and Board meetings previously reported, Director Carrera advised that she attended an IMC Quarterly Luncheon, the TVMWD Leadership Breakfast, the PWR Commission meeting, and the PBWA Board meeting.
- ◆ In addition to the District committee and Board meetings and the PBWA Board meeting previously reported, Director Ebenkamp noted his attendance at an IMC Quarterly Luncheon, the TVMWD Leadership Breakfast, the Regional Chamber of Government Affairs committee meeting, and participation in AWWA’s virtual webcast on Advances in Water Losses.
- ◆ In addition to District committee and Board meetings and the TVMWD Board meeting previously reported, Director Hilden noted his attendance at the TVMWD Leadership Breakfast.
- ◆ Director Wu noted his attendance at District committee and Board meetings.
- ◆ Although President Kwong was not present at this Board meeting, her June 2011 expense report noted her attendance at District committee and Board meetings, as well as the TVMWD Leadership Breakfast, the Chamber of Government Affairs committee meeting, and a WEF Bay Delta Tour.

**Item 18: Legal Reports**

- ◆ Mr. Senecal reviewed Guidelines for Compliance with Campaign Requirements, discussing the neutrality of employees and the District related to the election process. He also noted there would be a brief closed session following the regular business meeting.

**Item 19: Items for Future Discussion**

- ◆ Director Ebenkamp requested a quarterly tracking report of water loss.
- ◆ Director Wu emphasized the necessity for District employee training on protecting information and privacy, providing staff with the 2011-12 Annual Security and Privacy Awareness Training. He also suggested including the U.S. Environmental Protection Agency Lead-Free rule as a discussion item for a future Engineering Committee meeting agenda.

**Item 20: Board of Directors Business**

- ◆ The Board was asked to consider adoption of Resolution No. 07-11-573, “Establishing Water Standby Charges,” for submittal to the Los Angeles County Auditor Controller. The public hearing to receive and respond to comments on the Engineer’s Report was held at the June 20 Board meeting, and no comments were received.

**Motion No: 11-07-181: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and unanimously carried (4-0), to adopt Resolution No. 07-11-573, “Establishing Water Standby Charges,” for submittal to the Los Angeles County Auditor Controller. (Item 20-A)***

- ◆ The Board was asked to consider nominations for ACWA President and Vice President. No action was taken on this matter.
- ◆ The Board was asked to review the General Manager’s Work Plan for Fiscal Year 2010-2011, advise of any suggested revisions and, following said review, receive, accept, and file the document.

**Motion No: 11-07-182: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden and unanimously carried (4-0), to receive, accept, and file the General Manager’s FY 2010-11 Work Plan. (Item 20-C)***

- ◆ The General Manager presented an outline of his proposed work plan for fiscal year 2011-2012, noting changes he intended to make. The Board was asked to advise of any suggested revisions and, following said review, approve moving forward with the schedule suggested to finalize the FY 2011-12 work plan.
- ◆ Director Wu suggested, with regard to the Work Plan’s core objectives, that they be condensed into four to five major categories, such as: water resources, water quality, customer service, and water rates. He then proposed that each committee oversee its respective category’s “core” values.
- ◆ The General Manager noted he would take into account Director Wu’s suggestions and present the proposed work plan at the September or October committee meetings. (*Item 20-D*)

**Item 21: Public Comment on Closed Session**

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

**Item 22: Adjourn to Closed Session – 5:50 P.M.**

- ◆ The Board adjourned to 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, and
- ◆ In accordance with Government Code §54956.8 to discuss real property negotiation matters pertaining to the acquisition of water resources. The negotiating parties are Michael Holmes, Erik Hitchman, and Sierra Water Group, and
- ◆ In accordance with Government Code §54957 to discuss security issues with Legal Counsel.

**Item 23: Reconvene in Open Session/Report of Action Taken in Closed Session – 6:32 P.M.**

- ◆ It was reported that the Board met in closed session in accordance with Government Code §54956.9(a) to discuss one 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.
- ◆ The Board also met in closed session in accordance with Government Code §54956.8 to discuss real property negotiation matters pertaining to the acquisition of water resources with various water right holders in the Sacramento Valley. The negotiating parties are Michael Holmes, Erik Hitchman, and Sierra Water Group. The Board was briefed on the status of this matter; no action reportable under the Brown Act was taken.
- ◆ The Board also met in closed session in accordance with Government Code §54957 to discuss security issues with Legal Counsel; no action reportable under the Brown Act was taken.

**Adjournment at 6:33 P.M.**

**Motion No. 11-07-183: *It was moved by Director Ebenkamp, seconded by Director Hilden and unanimously carried (4-0), to adjourn the meeting.***