

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

**September 19, 2011
At the Offices of the District**

DIRECTORS PRESENT:

Scarlett P. Kwong, President
Barbara A. Carrera
Theodore L. Ebenkamp
Edwin M. Hilden
Allen L. Wu

DIRECTORS ABSENT:

None

STAFF PRESENT:

Timothy 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, Executive Secretary
Gabriela Sanchez, Executive Assistant
Jose Martinez, Administrative Services Manager

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

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

Item 3-A: Public Comment – Agenda Items - President Kwong

- ◆ There were no requests to make public comment on agenda items.

Item 3-B: Public Comment – Non-Agenda Items - President Kwong

- ◆ There were no requests to make public comment on agenda items.

Item 4: Additions to the Agenda –President Kwong

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

Item 5: Reorder of Agenda – President Kwong

- ◆ With the Board's consensus, Mr. Holmes requested that Agenda Item No. 9, the Treasurer's Report, will be moved to precede Agenda Item No. 12-A, Finance Committee Investment Transactions Report.

Item 6: Introduction of New District Employee

- ◆ Mr. Holmes introduced the District's new Information Technology Specialist, Mr. Ron Woodruff, after which Ms. Olson provided a brief biographical sketch of Mr. Woodruff.

Item 7: Consent Calendar

- ◆ The Board was asked to approve the Consent Calendar, including the minutes of the Regular Board Meeting held August 22; the September 2011 check register; the Community Relations/Website Activities Report; the Operations Report; the Engineering Project Status Report; and three Tax Sharing Resolutions between the County Sanitation Districts of Los Angeles County and Walnut Valley Water District and the District's Improvement Districts No. 3 and No. 4.

Motion No. 11-09-190: *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Ebenkamp and unanimously carried (5-0), to receive, approve, and file the Consent Calendar consisting of the minutes of the Regular Board Meeting held August 22; the September 2011 Check Register; the Community Relations/Website Activities Report; the Operations Report; the Engineering Project Status Report; and three Tax Sharing Resolutions between the County Sanitation Districts of Los Angeles County and Walnut Valley Water District and the District's Improvement Districts No. 3 and No. 4 (Items 7-1, 2, 3, 4, 5, 6)*

Item 8: 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.

Motion No. 11-09-191: *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Ebenkamp and unanimously carried (5-0), to receive, approve, and file the Board member expense reports for meeting attendance. (Item 8)*

Item 9: Treasurer's Report

(The Treasurer's report was given prior to Agenda Item No. 12-A)

Committee Chair Reports

Item 10: Engineering & Special Projects Committee – Director Wu

- ◆ The Board was asked to authorize the appropriation of an additional \$10,000 from the Capital Fund for the purchase of the Trailer Mounted Man-Lift.

Motion No. 11-09-192: *Upon consideration thereof, it was moved by Director Wu, seconded by Director Ebenkamp and unanimously carried (5-0), to authorize the appropriation of an additional \$10,000 from the Capital Fund for the purchase of the Trailer Mounted Man-Lift. (Item 10-A)*

- ◆ The Board was asked to authorize an additional compensation of \$60,270 to LINKTURE CORP. for the Fernhollow Pump Station Electrical Improvements Project for the design of the masonry building housing the new MCC and emergency generator.

Motion No. 11-09-193: *Upon consideration thereof, it was moved by Director Wu, seconded by Director Ebenkamp and unanimously carried (5-0), to authorize an additional compensation of \$60,270 to LINKTURE CORP. for the Fernhollow Pump Station Electrical Improvements Project for the design of the masonry building housing the new MCC and emergency generator. (Item 10-B)*

- ◆ The Board was asked to approve Change Order No. 3 for the SCADA System Upgrade Phase 2 Project at a cost of \$46,900. Mr. Hitchman noted the change in factors occurring after the award of the project and before the detailed design of the tower foundations which prompted the request for Change Order No. 3: the findings of alluvial deposits and high groundwater at the District yard. Staff assured the Board that under the new Operations Department organizational structure, proper oversight is in place for technical assessment of District projects.

Motion No. 11-09-194: *Upon consideration thereof, it was moved by Director Wu, seconded by Director Ebenkamp and unanimously carried (5-0), to approve Change Order No. 3 for the SCADA System Upgrade Phase 2 Project at a cost of \$46,900. (Item 10-C)*

Item 11: Personnel Committee – President Kwong

- ◆ The Board was asked to approve the proposed revisions to the District’s Chain-of-Command Responsibilities policy.

Motion No. 11-09-195: *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu and unanimously carried (5-0), to approve the revised Chain-of-Command Responsibilities policy. (Item 11)*

Item 9: Treasurer’s Report: [Item taken out of order]

- ◆ Mr. Teuber reviewed the Preliminary District Statement of Revenues, Expenses, and Change in Net Assets, and Summary of Cash and Investments for the period ending August 31, 2011. He noted that, due to the fiscal year-end, the District Statement of Net Assets was not available.

Motion No. 11-09-196: *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu and unanimously carried (5-0), to receive and file the Preliminary District Statement of Revenues, Expenses, and Change in Net Assets, and Summary of Cash and Investments for the period ending August 31, 2011. (Item 9-1, 2)*

Item 12: Finance Committee – President Kwong

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

Motion No. 11-09-197: *Upon consideration thereof, it was moved by Director Wu, seconded by Director Ebenkamp and unanimously carried (5-0), to receive, accept, and file the District’s Investment Transactions Report as of August 31, 2011. (Item 12-A)*

- ◆ A PowerPoint presentation by Ms. Marilyn Jones of The Epler Company was conducted on the District’s Other Post Employment Benefits (OPEB) Actuarial Valuation Report. The Board was then asked to receive and file the District’s OPEB Actuarial Valuation Report.

Motion No. 11-09-198: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and unanimously carried (5-0), to receive and file the District’s Other Post Employment Benefits Actuarial Valuation Report. (Item 12-B)*

- ◆ The Board received an informational report regarding Statistics on Customer Payments for Fiscal Year 2010-2011. The report displayed the monthly average payment amounts and transactions received through the various payment options available to District customers. It was noted that the online payment option, which started August 18, 2011, has processed 162 payments to-date. (Item 12-C)
- ◆ The Board then viewed a demonstration of the District’s website online payment system. (Item 12-D)

Item 13: Public Information/Community Relations/Legislative Action – Director Carrera

- ◆ The Board was asked to authorize the General Manager to sign the Memorandum of Understanding between Western Municipal Water District and the District for participation in the Free Sprinkler Nozzle Program, with a maximum program budget not-to-exceed \$25,000. The Free Sprinkler Nozzle Program will be available for District residential customers and will contribute to achieving the District’s “20% by 2020” water conservation goal.

Motion No. 11-09-199: *Upon consideration thereof, it was moved by Director Carrera, seconded by Director Hilden and unanimously carried (5-0), to authorize the General Manager to sign the Memorandum of Understanding between Western Municipal Water District and the District to participate in the Free Sprinkler Nozzle Program; and to approve a maximum program budget not-to-exceed \$25,000. (Item 13-A)*

- ◆ The Board was asked to consider action regarding ACWA's request to send letters expressing concerns regarding the Delta Stewardship Council's 5th Draft Delta Plan.

Motion No. 11-09-200: *Upon consideration thereof, it was moved by Director Carrera, seconded by Director Ebenkamp and unanimously carried (5-0), to direct staff to send a letter expressing concerns regarding the Delta Stewardship Council's 5th Delta Plan. (Item 13-B)*

Other Items

Item 14: TVMWD/MWD – Director Hilden

- ◆ Director Hilden noted TVMWD's Board did not meet in August, but would reconvene on September 21.

Item 15: The P-W-R Joint Water Line Commission – Director Carrera

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

Item 16: Puente Basin Water Agency –Director Ebenkamp

- ◆ The Board received an update on PBWA water resource acquisition efforts.
- ◆ The next PBWA Board meeting is scheduled for Wednesday, September 28.

Item 17: General Manager Report – Mike Holmes

- ◆ The General Manager presented the Board with a follow-up report on previous Board actions. *(Item 17-A)*
- ◆ The General Manager reviewed the District's activities calendars for September-November 2011. *(Item 17-B)*

Item 18: 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 the District Board meeting previously reported, Director Carrera noted her attendance at the PBWA Board meeting.
- ◆ In addition to the District Board meeting and the PBWA Board meeting previously reported, Director Ebenkamp noted his attendance at a Regional Chamber Government Affairs Committee meeting, an AWWA Desalination workshop, an IMC Legislative Breakfast, and a San Bernardino Water Conference. Also, on September 9 he attended a Water Advisory Committee meeting for Orange County Water District.
- ◆ In addition to the District Board meeting previously reported, Director Hilden advised he attended an IMC Legislative Breakfast and a San Bernardino Water Conference.
- ◆ In addition to the District Board meeting previously reported, Director Wu noted his attendance at the Urban Water Institute's 18th Annual Conference in San Diego. He also reported on his participation at ACWA's Region 5 Membership Forum on September 18.
- ◆ President Kwong advised that in addition to the District Board meeting, she had attended a Diamond Bar City Council meeting.

Item 19: Legal Reports

- ◆ Mr. Gosney reported on California Attorney General Kamala Harris' Opinion No. 10-702 regarding Metropolitan ("MWD") facilities tours. In this regard, he stated that if a majority of the Board of Directors attends a MWD facilities tour, discussion amongst the Board should be limited to issues solely regarding those facilities, as it is considered a "meeting" subject to the Brown Act. Additionally, the tour must be conducted as a duly noticed and open public meeting. *(Item 19-A)*
- ◆ Mr. Gosney then reported on the Appellate Court decision in *Sierra Club vs. Superior Court of Orange County*, which addressed the application of the Public Records Act to GIS Information. *(Item 19-B)*
- ◆ He then noted there would be a brief closed session following the regular business meeting.

Item 20: Items for Future Discussion

- ◆ Staff received a Director request for discussion regarding the District's annual awards banquet.

Item 21: Board of Directors Business

- ◆ The Board was asked to adopt Resolution No. 09-11-574, "Ordering an Election not be Held for the Walnut Valley Water District and Requesting the Board of Supervisors of the County of Los Angeles Immediately Appoint the Persons Nominated for the Office of Member, Board of Directors in Divisions 1, 4, and 5 For Full Terms Ending December 4, 2015."

Motion No: 11-09-201: *Upon consideration thereof, it was moved by Director Carrera, seconded by Director Hilden and unanimously carried (5-0), to adopt Resolution No. 09-11-574, "Ordering an Election not be Held for the Walnut Valley Water District and Requesting the Board of Supervisors of the County of Los Angeles Immediately Appoint the Persons Nominated for Office of Member, Board of Directors for full terms ending December 4, 2015," as follows:*

- *Division 1 – Director Wu*
- *Division 4 – Director Ebenkamp*
- *Division 5 – Director Kwong*

(Item 21-A)

- ◆ The Board was asked to concur with staff's recommendations for ACWA Committee Appointment Nominees for the 2012-13 term. It was noted that, although recommendations include Legal Counsel nominees, the District is not responsible for any costs associated with their participation.

Motion No: 11-09-202: *Upon consideration thereof, it was moved by Director Kwong, seconded by Director Hilden and unanimously carried (5-0), to submit the District's request for ACWA 2012-2013 committee appointment nominations as follows:*

- *Mr. Erik Hitchman – Water Quality Committee*
- *Ms. Sandra Olson – Insurance and Personnel Committee*
- *Mr. Brian Teuber – Finance Committee*
- *Mr. Timothy J. Gosney – State Legislative Committee*
- *Mr. Timothy J. Gosney – Legal Affairs*
- *Thomas S. Bunn – Groundwater Committee*
- *Andrew D. Turner – Local Government Committee*
- *James D. Ciampa – Legal Affairs Committee*

(Item 21-B)

- ◆ The Board was asked to review and recommend suggestions to the revised format of the General Manager's FY 2011-2012 Work Plan. There being no requests for further revision, the Board approved the new format as presented and approved the plan for implementation and quarterly Committee and Board review. *(Item 21-C)*
- ◆ The Board was asked to approve changing the December Board meeting date to the week prior to the scheduled December 19 meeting date. Staff was directed, by consensus of the Board, to reschedule the December Board meeting to Tuesday, December 13, at 5:00 p.m. *(Item 21-D)*
- ◆ The Board scheduled a Rate Workshop Meeting for Friday, September 30, at 7:00 a.m., to discuss the District's rate methodology and structure. *(Item 21-E)*

Item 22: Public Comment on Closed Session

- ◆ There were no requests to comment on either open or closed session items at this time; however, Director David De Jesus of TVMWD took a moment to acknowledge Director Ed Chavez of the Upper San Gabriel Valley Municipal Water District, as Director Chavez was in attendance throughout the majority of the Board meeting. Director De Jesus noted that Mr. Chavez is the newest representative on the MWD Board and looks forward to working with him in bringing positive benefits to the San Gabriel Valley.

Item 23: Adjourn to Closed Session – 7:00 P.M.

Item 24: Closed Session – 7:13 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 25: Reconvene in Open Session/Report of Action Taken in Closed Session – 7:27 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 7:28 P.M.

Motion No. 11-09-203: *It was moved by Director Hilden, seconded by Director Carrera and unanimously carried (5-0), to adjourn the meeting.*