

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

**January 14, 2013
At the Offices of the District**

DIRECTORS PRESENT:

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

STAFF PRESENT:

Mike Holmes, General Manager
Erik Hitchman, Assistant General Manager/Chief Engineer
Sandra Olson, Director of Administrative Services
Brian Teuber, Director of Finance
Gabriela Sanchez, Executive Secretary
Carmen Fleming, Executive Assistant
Jim Ciampa, Legal Counsel

DIRECTORS ABSENT:

None

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

Guests and others in attendance: Mr. James Linthicum, Director Joe Ruzicka, and Director David De Jesus of Three Valleys Municipal Water District.

Item 3: Public Comment – President Hilden

- ◆ There were no requests to make public comment.

Item 4: Additions to the Agenda – President Hilden

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

Item 5: Reorder of Agenda –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 December 17, 2012; the January Check Register; the Community Relations/Website Activities Report; the Operations Report; and the Engineering Project Status Report.

Motion No. 13-01-420: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and unanimously carried (5-0), to receive, approve, and file the Consent Calendar, including the minutes of the Regular Board meeting held December 17, 2012; the January 2013 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.

Motion No. 13-01-421: *Upon consideration thereof, it was moved by Director Carrera, seconded by Director Ebenkamp and unanimously carried (5-0), to receive, approve, and file the Board member expense reports for meeting attendance during the month of December 2012. (Item 7)*

Item 8: Treasurer's Report

- ◆ Mr. Teuber reviewed the District Statement of Revenues, Expenses, and Change in Net Assets as of December 31, 2012; the Statement of Net Assets as of December 31, 2012; and the Summary of Cash and Investments as of December 31, 2012. (Items 8-1, 2, 3)

Motion No. 13-01-422: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and unanimously carried (5-0), to receive and file the District Statement of Revenues, Expenses, and Change in Net Assets as of December 31, 2012; the Statement of Net Assets as of December 31, 2012; the Summary of Cash and Investments as of December 31, 2012. (Items 8-1, 2, 3)*

Committee Chair Reports

Item 9: Engineering & Special Projects Committee –Director Kwong

- ◆ The Board was asked to consider acceptance of work for W.O. 07-3058 - Water Distribution System for Tract 065572, and authorize the filing of a Notice of Completion with the Los Angeles County Registrar-Recorder/County Clerk for the subject project. (Item 9-A)

Motion No. 13-01-423: *Upon consideration thereof, it was moved by Director Kwong, seconded by Director Carrera and unanimously carried (5-0), to accept the work as installed for the Water Distribution*

System for Tract 065572 (W.O. 07-3058), and authorize the filing of a Notice of Completion with the Los Angeles County Registrar-Recorder/County Clerk. (Item 9-A)

- ◆ The Board was asked to authorize the General Manager to execute contracts for labor and materials for the Meadow Pass Road Main Extension Phase 2 project (P.N. 09-3136), and to find the project is exempt from CEQA pursuant to CEQA Guidelines Section 15282. (Item 9-B)

Motion No. 13-01-424: *Upon consideration thereof, it was moved by Director Kwong, seconded by Director Carrera and unanimously carried (5-0), to authorize the General Manager to execute contracts for labor and materials, as identified below, for the Meadow Pass Road Main Extension Phase 2 project (P.N. 09-3136), and to find the project is exempt from CEQA pursuant to CEQA Guidelines Section 15282 for the recycled distribution mainline on Meadow Pass Road starting at approximately 80 linear feet northeast of Pierre Road to Lemon Avenue. (Item 9-B)*

<u>Bid</u>	<u>Supplier</u>	<u>Price</u>	<u>Delivery</u>
Labor	Doty Bros.	\$346,992.00	N/A
Resilient Wedge Gate Valves	Inland	\$2,310.80	1-2 days
PVC Pipe	HD Supply	\$30,275.84	20-25 days
Saddles, Setters & Jumpers	Western	\$616.94	15-30 days
Service Materials	Western	\$5,907.93	15-30 days
Ductile Iron Fittings & Misc. Materials	Western	\$2,182.75	5-7 days

Item 10: Personnel Committee – President Hilden

- ◆ The Board received a verbal update on the Employee Recognition Event scheduled for Saturday, January 26, 2013.

Item 11: Finance Committee – Director Wu

- ◆ The Board was asked to receive, accept, and file the District’s Investment Transactions Report for the month ending December 31, 2012. (Item 11-A)

Motion No. 13-01-425: *Upon consideration thereof, it was moved by Director Wu, seconded by Director Kwong and unanimously carried (5-0), to receive, accept, and file the District’s Investment Transactions Report for the month ending December 31, 2012. (Item 11-A)*

- ◆ The Board received a preliminary 2013 Budget Meeting schedule as a matter of information. (Item 11-B)

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

- ◆ The Board reviewed a staff report pertaining to the Los Angeles County Clean Water, Clean Beaches proposed fee. Director Ebenkamp made note that the Public Information/Legislative Action Committee reviewed the item at their January meeting and deferred recommending a position until the entire Board could review. The intent of the proposed “clean water” fee is to provide dedicated funding for local and regional projects and programs to further keep pollution out of storm water runoff, clean up pollution that flows into waterways, and use storm water and runoff to recharge groundwater supplies. The Board discussed several deficiencies found in the language of the measure, such as the lack of a sunset clause, the need to include specific projects in which revenues would go towards, and the potential of fee increases over time. Mr. Holmes indicated the District received notices for thirty-three of the thirty-eight parcels within the designated Flood Control District and estimated the financial impact, based on Los Angeles County’s documents, to the District would be \$8,832.62 per year.

Motion No. 01-13-426: *Upon consideration thereof, it was moved by Director Wu, seconded by Director Ebenkamp and unanimously carried (5-0), to prepare a letter expressing the District’s opposition to the Los Angeles County Clean Water, Clean Beaches Measure for delivery to the Los Angeles County Board of Supervisors’ Public Hearing scheduled for January 15, 2013. (Item 12-A)*

Other Items

Item 13: TVMWD/MWD – Director Hilden

- ◆ Director Hilden reviewed the “Action Line” Report for the Three Valleys Municipal Water District Board meeting held on December 19, 2012.
- ◆ Director David De Jesus spoke on AB 72 (Holden), an act to amend Section 71253 of the Water Code, relating to municipal water districts. He indicated the existing statute in the Municipal Water District Act requires directors to take office on the first Monday after January 1 succeeding their election. The bill proposes to amend that statute to instead require the directors of a municipal water district to take office on the first Friday in December succeeding their election. Mr. Holmes noted that provision in the Water Code did not apply to Walnut Valley Water District’s Board of Directors but would be reviewed at an upcoming Public Information/Legislative Action Committee meeting.

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

- ◆ The Board was informed that the December 2012 P-W-R water use report would be made available at the February Board meeting.

Item 15: Puente Basin Water Agency –Director Carrera

- ◆ The Board was asked to approve the proposed amendments to the Puente Basin Water Agency (PBWA) Restated Joint Powers Agreement (JPA). Mr. Ciampa, PBWA legal counsel, reviewed the proposed amendments to the restated JPA and noted a separate amendment document will be prepared showing only the provisions being revised by the amendments upon approval of the amendments by Rowland Water District and Walnut Valley Water District.

Motion No. 13-01-427: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Kwong and unanimously carried (5-0), to approve the proposed amendments to the Puente Basin Water Agency Joint Powers Agreement. (Item 15-A)*

Item 16: General Manager Report – Mike Holmes

- ◆ Received an update on the District's public outreach activities in relation to the February 2013 Weymouth Plant shutdown. (Item 16-A)
- ◆ Received an update on the District's Bond financing status. (Item 16-B)
- ◆ The Board was informed of fraudulent activity involving the District banking account. (Item 16-C)
- ◆ The General Manager presented the Board with a follow-up report on previous Board actions. (Item 16-D)
- ◆ The General Manager reviewed the District's activities calendars for January, February and March 2013. (Item 16-E)

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.)

- ◆ Director Carrera noted her attendance at the District Board and committee meetings, and the PBWA meeting previously reported.
- ◆ In addition to the District Board and PBWA meetings previously reported, Director Ebenkamp noted his attendance at the ACWA Fall conference and a TVMWD Board meeting.
- ◆ In addition to the District Board and committee meetings previously reported, Director Hilden noted his attendance at the ACWA Fall conference and a TVMWD Board meeting.
- ◆ In addition to District committee meetings previously report, Director Kwong noted her attendance at MWD's "Water is Life" poster awards ceremony and the retirement luncheon for Jo Ann Angelico and Steve Tarin.
- ◆ In addition to the District Board and committee meetings, Director Wu noted completion of Board-required training courses regarding Ethics in the Workplace and Sexual Harassment for Supervisors. Additionally, he attended the MWD "Water is Life" poster awards ceremony and presented a conservation basket at Walnut High School's CAPA event.

Item 18: Legal Reports

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

Item 19: Items for Future Discussion

- ◆ There were no requests for items for future discussion at this time.

Item 20: Board of Directors Business

- ◆ The Board received information pertaining to the ACWA/JPIA Executive Committee election and expressed no interest in seeking an ACWA/JPIA position. They were advised that as requests for concurring resolutions are received from other agencies they will be presented to the Board for consideration. (Item 20-A)
- ◆ In accordance with the Puente Basin Water Agency Joint Powers Agreement and the Pomona-Walnut-Rowland Joint Water Line Commission Bylaws, the Board was asked to adopt resolutions appointing District representatives to these agencies. (Item 20-B)

Motion No. 13-01-428: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Kwong and unanimously carried (5-0), to adopt Resolution No. 01-13-590 appointing Director Barbara Carrera and Director Theodore Ebenkamp as representatives, and Director Allen Wu as alternate representative to serve on the Commission of the Puente Basin Water Agency; and to adopt Resolution No. 01-13-591 appointing Director Scarlett Kwong as representative and Director Barbara Carrera as alternate representative to serve on the P-W-R Joint Water Line Commission. (Item 20-B)*

- ◆ In light of a Director request made at the December Board meeting to increase the compensable per diem days, the Board was asked consider adoption of Resolution No. 01-13-592, a resolution to amend Section 1.B.4: *Ten-Day Monthly Limit* of the District's Policies for Ethical Conduct Regarding Board of Directors Compensation and Expenses to increase the Board of Directors' compensable per diem requests to a total of seven (7) days per calendar month. An increase to the compensable per diem requests would thus require an amendment to Ordinance No. 04-06-01 to similarly adjust the number of compensable per diem days.

- ◆ Therefore, the Board was additionally asked to consider conducting its first reading of Ordinance No. 01-13-593, which amends existing Ordinance No. 04-06-01.
- ◆ Legal Counsel noted Resolution No. 01-13-592 will take effect upon the effective date of the amendment of Ordinance No. 04-06-01. (Item 20-C)

Motion No: 13-01-429: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and unanimously carried (5-0), to adopt Resolution No. 01-13-593, A Resolution Establishing Board Meeting Attendance Compensation; and to conduct the first reading of Ordinance No. 01-13-593, An Ordinance Establishing Compensation to Members of the Board of Directors of Walnut Valley Water District. (Item 20-C)*

- ◆ The Board was informed that the District was not in receipt of the December 2012 monthly Three Valleys MWD and P-W-R Joint Water Line water charges and therefore would be apprised of the amount of charges at the January 17, 2013 Special Board meeting. (Item 20-D)
- ◆ The Board was asked to review the General Manager's Fiscal Year 2012-13 Work Plan quarterly update, make any recommendations and/or revisions, and receive, accept, and file the FY 2012-13 Work Plan quarterly update. (Item 20-E)

Motion No: 13-01-430: *Upon consideration thereof, it was moved by Director Kwong, seconded by Director Ebenkamp and unanimously carried (5-0), receive, accept, and file the General Manager's Fiscal Year 2012-2013 Work Plan Quarterly Update. (Item 20-E)*

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 – 6:21 p.m.

Item 23: Closed Session – 6:43 p.m.

- ◆ The Board 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, and
- ◆ In accordance with Government Code §54956.9(b) to discuss one potential litigation matter.

Item 24: Reconvene in Open Session/Report of Action Taken in Closed Session – 6:48 p.m.

- A. 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.
- B. The Board also met in closed session in accordance with Government Code §54956.9(b) to discuss one potential litigation matter; no action reportable under the Brown Act was taken on this item.

Adjournment at 6:49 p.m.

Motion No: 13-01-430: *Upon consideration thereof, it was moved by Director Carrera, seconded by Director Hilden and unanimously carried (5-0), to adjourn the meeting.*