

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

**June 19, 2007
5:00 P.M. at the Offices of the District**

DIRECTORS PRESENT:

Ling Ling Chang, President
E. Fred Flores
Edwin M. Hilden
Donald L. Nettles
Allen L. Wu

STAFF PRESENT:

H. Jess Senecal, Legal Counsel
Michael Holmes, General Manager
Erik Hitchman, Assistant General Manager/Chief Engineer
Shawna Whallon, Director of Finance
Brian Teuber, Accounting Manager
Denis Hernandez, Deputy Director of Administrative Services
Jose Martinez, Management Analyst
Karen Miller, Recording Secretary

The meeting was called to order at 5:00 P.M. by President Chang.

Guests and others in attendance: David De Jesus, Dan Horan and Joe Ruzicka, Board Members, TVMWD; Beatrice Medina and Gladys Medina, MuniFinancial; and Henry Eagar and Michael Duran, Citizens Business Bank.

Item 3: Communications to the Board – President Chang

- ◆ **Written** – There was no written correspondence to present at this time.
- ◆ **Public Comment** – There was no public comment at this time.

Item 4: Additions to Agenda – President Chang

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

Item 5: Reorder of Agenda – President Chang

- ◆ There were no requests from staff or the Board to reorder the agenda.

Item 6: Report of Action in Closed Session – President Chang

- ◆ Legal counsel reported that the Board met in closed session at 4:00 P.M., prior to regular session, in accordance with Government Code Section 54956.9[b] to consider potential litigation. During the discussion in Closed Session, there was a review of a claim for wrongful termination by Mrs. Karen Powers, former General Manager of the District. By a unanimous vote of 4 to 0, with Director Wu absent from Closed Session, the Board voted to deny the claim and directed legal counsel to provide notice of rejection to Mrs. Powers and refer the matter to JPIA. No additional action reportable under the Brown Act was taken.

Item 7: Public Hearing – President Chang

- ◆ The Board scheduled this public hearing to receive comments with regard to the Water Standby Charge Report prepared by MuniFinancial and consideration of a resolution establishing water standby charges for submittal to the Los Angeles County Auditor Controller. Representatives from MuniFinancial provided the Board with a brief overview, after which the Board was asked to receive and file the report.

Upon consideration thereof, it was moved by Director Flores, seconded by Director Nettles and unanimously carried, to receive and file the Water Standby Charge Report as prepared by MuniFinancial. (Item 7-B)

The Board being advised that no prior public comments had been received and that the District had met all publication requirements with regard to the report or adoption of the Standby Charge resolution, the public hearing was closed.

Upon consideration thereof, it was moved by Director Hilden, seconded by Director Flores and unanimously carried, to adopt Resolution No. 6-07-529, attached to these Minutes as Exhibit A, establishing water standby charges for FY 2007-08 for submittal to the Los Angeles County Auditor Controller. (Item 7-E)

Item 8: Consent Calendar – President Chang

- ◆ The Board was asked to approve the Consent Calendar, including the minutes of the Special Board Meeting held May 17th, the Regular Board Meeting held May 21st, the May Check Register, the Community Relations/Conservation/Website Activities Report, the Operations Report, and the Engineering Project Status Report.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried, to approve, receive, and file the Consent Calendar consisting of the minutes of the Special Board Meeting held May 17, 2007, the Regular Board Meeting held May 21, 2007, the May 2007 Check Register, the Community Relations/Conservation/Website Activities Report, the Operations Report, and the Engineering Project Status Report. (Items 8-A-1,2,3,4,5,&6)

Item 9: Director Expense Reports

- ◆ The Board is asked to approve, receive, and file the Board member expense reports indicating per diem requests for May meeting attendance and to review the individual reports of additional expenses incurred by the District on behalf of each Director during the month of May.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Flores and unanimously carried, to approve, receive, and file the Board member expense reports for May 2007 meeting attendance. (Item 9)

Item 10: Treasurer's Report – Shawna Whallon – Financial reports were presented in accordance with Government Code Sections 5922 and 53601.

- ◆ Review of District Statement of Revenues, Expenses, and Change in Net Assets
- ◆ Review of District Statement of Net Assets
- ◆ Review of the Financial Position and Investment Portfolio for the District

Upon consideration of the Treasurer's report, it was moved by Director Wu, seconded by Director Nettles and unanimously carried, to receive and file the May 31, 2007, District Statement of Revenues, Expenses, and Changes in Net Assets, the District Statement of Net Assets, and the Financial Position and Investment Portfolio for the District. (Item 10)

Committee Chair Reports

Item 11: Engineering & Special Projects Committee – Director Nettles

- ◆ The Board is asked to approve the modification of Article 4 of the District's Rules and Regulations, specifically Section 4.02.08, Consumer's Responsibility for District Property, Section 4.03.07.05, Property Damage, and Section 4.04.07.01, Disputed Bills (Appeals Procedure). Mr. Holmes advised that the changes would allow staff to be more flexible with the District's customers, thus decreasing the time to resolve issues customers may have.

Upon consideration thereof, it was moved by Director Nettles, seconded by Director Wu and unanimously carried, to approve the modification of Sections 4.02.08, 4.03.07.05, and 4.04.07.01 of Article 4, Rules Applicable to Existing Customers, of the District's Rules and Regulations. (Item 11-A)

- ◆ The Board is asked to schedule a public hearing at the July 23, 2007, Board meeting to receive and respond to public comment on the District's Public Health Goals Report.

Upon consideration thereof, it was moved by Director Nettles, seconded by Director Wu and unanimously carried, to schedule a public hearing at the July 23, 2007, Board meeting to receive and respond to public comment on the District's Public Health Goals Report. (Item 11-B)

- ◆ The Board is asked to authorize the General Manager to execute an agreement with Los Angeles Royal Vista Golf Courses, Inc. for the lease of up to 70 acre-feet of the District's Puente Basin Water Rights at a cost of \$150 per acre-foot.

Upon consideration thereof, it was moved by Director Nettles, seconded by Director Hilden and unanimously carried, to authorize the General Manager to execute an agreement with Los Angeles Royal Vista Golf Courses, Inc. for the lease of up to 70 acre-feet of the District's Puente Basin Water Rights at a cost of \$150 per acre-foot. (Item 11-C)

Item 12: Personnel Committee – Director Hilden

- ◆ The Board is asked to approve adoption of the revised Dress Code Policy to include District T-shirts for District field personnel during the summer months.

Upon consideration thereof, it was moved by Director Hilden, seconded by Director Flores and unanimously carried, to ratify the General Manager's recommendation to revise the District's Dress Code Policy to include District T-shirts for District field personnel during the summer months. (Item 12-A)

- ◆ The Board is asked to consider acceptance of the 2007 dental insurance increases as proposed by ACWA and pass through the costs as provided for in the approved Terms and Conditions of Employment.

Upon consideration thereof, it was moved by Director Hilden, seconded by Director Flores and unanimously carried, to accept the 2007 dental insurance increases as proposed by ACWA and pass through the costs as provided for in the Terms and Conditions of Employment. (Item 12-B)

Item 13: Finance Committee – Director Nettles

- ◆ The Board is asked to approve, receive, and file the District's May 2007 monthly Investment Transactions Report.

Upon consideration thereof, it was moved by Director Nettles, seconded by Director Hilden and unanimously carried, to approve, receive, and file the District's monthly Investment Transactions Report for May 2007. (Item 13-A)

- ◆ The Board is asked to declare two District vehicles, Nos. 49 and 51, as surplus property.

Upon consideration thereof, it was moved by Director Nettles, seconded by Director Flores and unanimously carried, to declare District Vehicles Nos. 49 and 51 as surplus property and to direct the General Manager to dispose of them via an auction. (Item 13-B)

Item 14: Public Information and Community Relations Committee – President Chang

- ◆ Mr. Hernandez discussed the addition of a water use budget in each billing cycle to customer accounts with dedicated irrigation meters (approximately 400). The water use budget will be printed in the highlighted comment section of each bill and will show the relationship between an amount of water based on locally provided evapotranspiration data and actual consumption.
- ◆ Discussion was held regarding the Customer Service Survey that is scheduled to be distributed starting July 15, 2007, to District customers who have initiated a service request with the District. The survey, completion of which is voluntary with the results to be kept confidential, was developed by the District's recently established Customer Service Committee to evaluate areas where District service can be improved and enhanced.
- ◆ The Board discussed the District's 2006 Consumer Confidence Report, which is required to include information on our compliance with Federal and State drinking water standards, our water sources, and levels of detected designated contaminants. The report, originals of which were recently received and provided to the Board at the meeting, are currently being distributed to our customers.

Item 15: Legislative Action Committee – Director Hilden

- ◆ The Board is asked to determine if there is any interest in submitting a District nominee for a position of the California Special Districts Association Board of Directors. As there were no nominees, there was no action taken on this item.

Other Items

Item 16: TVMWD/MWD – Director Hilden

- ◆ Director Hilden reviewed the agenda of the Special Board Meeting held on Friday, June 15th. Mr. Ruzicka advised he was not the successful candidate for the Special District LAFCO Representative and thanked the Board for their support of him in the recent election. It was also noted that TVMWD will take a two month summer recess with no committee or Board meetings in July and August.

Item 17: The P-W-R Joint Water Line Commission – Director Hilden

- ◆ Director Hilden noted the items included in the Board packet, specifically the Water Usage Report for the month of May.

Item 18: Puente Basin Water Agency – Director Nettles

- ◆ There was no meeting to report on at this time.

Item 19: General Manager Oral Report – Mike Holmes

- ◆ Mr. Holmes discussed the State Water Project shutdown of the pumping facilities in the south Delta, which were recently turned on again. He also noted there is no approved State budget as of this date and discussed MWD's approval of \$6.3 million in its budget for a conservation push.

Item 20: Directors' Oral Reports

- ◆ In addition to again reporting on a meeting with Arbor Ridge residents and receiving a Water Awareness Month proclamation from the City of Walnut, Director Wu reported on his attendance at the ACWA/JPIA Board Meeting on May 7th and at the Los Angeles County Commissioners Leadership Conference on May 23rd.
- ◆ Director Nettles had nothing to report at this time.
- ◆ Director Hilden had nothing to report at this time.
- ◆ Director Flores had nothing to report at this time.
- ◆ President Chang reported on her attendance at the CSDA Leadership Academy on May 16th, noting she had information from the conference should anyone be interested.

Item 21: Board of Directors Business – President Chang

- ◆ When asked if any Board member was interested in serving on the ACWA Region 8 Board of Directors for a two-year term of office for 2008-09, no one expressed an interest.
- ◆ The Board members were then asked if anyone had an interest in being nominated for President or Vice President of ACWA; again there was no interest.
- ◆ After Mr. Holmes discussed the District's need to bring the proposed new building back to the forefront, President Chang appointed Directors Nettles and Wu to a Building Ad Hoc Committee. A committee meeting will be scheduled, after which information will be brought to Engineering Committee and the Board in order to move the building project forward.

Item 22: Legal Reports

- ◆ Mr. Senecal reported on State water issues and legislative matters of importance to the District.
- ◆ Regarding upcoming District elections in Divisions I, IV, and V, legal counsel discussed guidelines to assist Board members in ensuring compliance with the legal and ethical requirements for separating political activities from the work of the District.

Item 23: Activities Calendar Review – Mike Holmes

- ◆ Mr. Holmes reviewed the June/July/August 2007 calendars as previously provided.

Item 24: Subjects for Future Meetings

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

Adjournment at 5:58 P.M.