

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

**January 20, 2009
At the Offices of the District**

DIRECTORS PRESENT:

Edwin M. Hilden, President
Ling Ling Chang
Theodore L. Ebenkamp
Scarlett Kwong
Allen L. Wu

STAFF PRESENT:

H. Jess Senecal, Legal Counsel
Michael Holmes, General Manager
Erik Hitchman, Assistant General Manager/Chief Engineer
Sandy Olson, Director of Administrative Services
Shawna Whallon, Director of Finance
Brian Teuber, Deputy Director of Finance
Denis Hernandez, Deputy Director of Administrative Services
Jo Ann Angelico, Assistant Secretary

The meeting was called to order at 6:00 p.m. with President Hilden presiding.

Guests and others in attendance: Director David DeJesus, Director Joe Ruzicka, Director Dan Horan, and Assistant General Manager Kirk Howie of Three Valleys Municipal Water District

Item 3: Public Comment – President Hilden

- ◆ Three Valleys' Director David De Jesus indicated he would address his comments under Item 13

Item 4: Additions to 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 15, 2008 and the Special Board Meeting held January 7, 2009; the January 2009 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 Chang, seconded by Director Wu and unanimously carried, to receive, approve, and file the Consent Calendar consisting of the minutes of the Regular Board Meeting held December 15, 2008 and the Special Board Meeting held January 7, 2009; the January 2009 Check Register; the Community Relations/Website Activities Report; the Operations Report; and the Engineering Project Status Report. (Items 6-1, 2, 3, 4, 5, & 6)

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 Ebenkamp, seconded by Director Kwong and unanimously carried, to receive, approve, and file the Board member expense reports for meeting attendance. (Item 7)

Item 8: Treasurer's Report – Shawna Whallon

- ◆ Ms. Whallon presented the District's Statement of Revenues, Expenses, and Change in Net Assets; Statement of Net Assets; and the Summary of Cash and Investments as of December 31, 2008.

Upon consideration of the Treasurer's report, it was moved by Director Ebenkamp, seconded by Director Wu and unanimously carried, to receive and file the District's Statement of Revenues, Expenses, and Change in Net Assets; Statement of Net Assets; and the Summary of Cash and Investments as of December 31, 2008. (Items 8-1, 2, & 3)

Committee Chair Reports

Item 9: Engineering & Special Projects Committee – Director Wu

- ◆ The Board was asked to adopt a Notice of Categorical Exemption and to award a contract in the amount of \$378,500 to J.C. Coatings, Inc. to furnish labor and materials for the interior and exterior coating of Eldertree steel reservoirs A&B.

Upon consideration thereof, it was moved by Director Wu, seconded by Director Chang and unanimously carried, to adopt a Notice of Categorical Exemption and to award a contract in the amount of \$378,500 to J.C. Coatings, Inc. for the Eldertree Steel Reservoirs A&B Interior and Exterior Coating of Steel Reservoirs project. (Item 9-A)

- ◆ The Board received a report on the District's Tier I-Tier II purchased water for calendar year 2008.

Item 10: Personnel Committee – Director Hilden

- ◆ The Board was asked to approve revisions to Article 28 (Insurance) of the General Employees Unit Terms and Conditions of Employment and to Section B-4 (Health/Life Insurance) of the Mid-Management Terms and Conditions of Employment to meet Anthem Blue Cross requirements pertaining to temporary disability leave and qualify for the incentive rate, saving the District approximately \$1,900 per month.

Upon consideration thereof, it was moved by Director Chang, seconded by Director Kwong and unanimously carried, to approve revisions to Article 28 (Insurance) of the General Employees Unit Terms and Conditions of Employment and to Section B-4 (Health/Life Insurance) of the Mid-Management Terms and Conditions of Employment as presented. (Item 10-A-1)

- ◆ The Board was asked to reapprove Exhibit C (Retiree Medical Insurance Benefits Vesting Schedule) for the General Employees Unit, Mid-Management, and Executive Staff employee groups and to approve the deletion of the reference under "Group C" to GASB 34, which is no longer pertinent. It was noted that the correct document had been reviewed with and accepted by the employee groups and Personnel Committee in June; however an incorrect copy was inadvertently included with the Terms and Conditions of Employment when presented for Board approval in June 2008.

Upon consideration thereof, it was moved by Director Chang, seconded by Director Ebenkamp and unanimously carried, to approve Exhibit C (Retiree Medical Insurance Benefits Vesting Schedule) as presented, including the deletion of the reference to GASB 34. (Item 10-A-2)

- ◆ The Board was asked to approve proposed Executive Staff Terms and Conditions of Employment, including attachments A-D, effective February 1, 2009 through June 30, 2011. It was noted that the Executive Staff Terms and Conditions of Employment mirror the Mid-Management Terms and Conditions of Employment with the exception that the executive staff employees receive an additional two days of administrative leave per fiscal year.

Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Chang and unanimously carried, to approve the Executive Staff Terms and Conditions of Employment, including attachments A-D, effective February 1, 2009 through June 30, 2011, as presented. (Item 10-A-3)

- ◆ The Board was asked to approve a new position titled "Executive Assistant" for the Administration Department and to approve amending the District's Chart of Positions to reflect that position. It was noted that the proposed new position would be funded with the 40% allotment gained by the executive secretary's partial retirement and the currently unfilled part-time position that was budgeted for FY 2008-09, which in actuality will result in a cost savings for the District.

Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and unanimously carried, to approve the addition of a position titled "Executive Assistant" for the Administration Department and to reflect that position on the District's approved Chart of Positions. (Item 10-B)

- ◆ The Board discussed proposed modifications to the Standing Committee Selection Process policy and requested that it be referred back to the Personnel Committee for further review with the Board reorganization process, considering a nine-month reorganization schedule.

Item 11: Finance Committee – Director Kwong

- ◆ Following a review by Ms. Whallon, the Board was asked to receive, approve, and file the December 2008 monthly Investment Transactions Report and the Portfolio Holdings Report as of December 31, 2008.

Upon consideration thereof, it was moved by Director Kwong, seconded by Director Wu and unanimously carried, to receive, approve, and file the monthly Investment Transactions Report for December 2008 and the Portfolio Holdings Report as of December 31, 2008. (Item 11-A & B)

- ◆ The Board was asked to approve adjustments to the District's Wholesale Potable Water Rate for water delivered through the Badillo-Grand Transmission Main, setting the rates at \$621 per acre-foot for Tier I and \$737 per acre-foot for Tier II, effective January 1, 2009-June 30, 2009.

Upon consideration thereof, it was moved by Director Kwong, seconded by Director Ebenkamp and unanimously carried, to adjust the Wholesale Potable Water Rate for water delivered through the

Badillo-Grand Transmission to \$621 per acre-foot for Tier I water and \$737 per acre-foot for Tier II water, effective January 1, 2009 to June 30, 2009. (Item 11-C)

- ◆ The Board was asked to award a contract to Business Telecommunications Systems, Inc. to install a ShoreTel phone system and establish telephone service through Paetec Communications. The Board was further asked to authorize District staff to purchase additional equipment and secure outside services for required work for this system. Cost breakdown:

ShoreTel Phone System	\$ 71,338.71
District Hardware/Software Costs	11,000.00
District Equipment Costs	3,500.00
Power Circuit Installation (Est.)	2,000.00
IVR Programming/System Enhancements (Est.)	40,000.00
5% District Overhead	<u>6,991.94</u>
Total Estimated Costs	\$146,830.65

Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Chang and unanimously carried, to award a contract to Business Telecommunications Systems, Inc. to install a ShoreTel telephone system with service through Paetec Communications and to authorize District staff to purchase additional equipment and secure outside services for required work for this system. (Item 11-D)

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

- ◆ There were no Public Information/Community Relations/Legislative Action matters to come before the Board at this time.

Other Items

Item 13: TVMWD/MWD – President Hilden

- ◆ President Hilden reviewed activities from the TVMWD December Board meeting.
- ◆ The Board received information regarding the Three Valleys election results and the MWD 2009 Water Supply Allocation Plan status.
- ◆ TVMWD Director De Jesus noted that the three uncontested seats in the recent election had saved TVMWD \$100,000 in election fees. He then provided an update on MWD projected rates and water supply allocation plan.

Item 14: The P-W-R Joint Water Line Commission – President Hilden

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

Item 15: Puente Basin Water Agency – Directors Ebenkamp/Chang

- ◆ There was nothing to report on the Puente Basin Water Agency.

Item 16: General Manager Report – Mike Holmes

- ◆ Mr. Holmes provided a report on District staff's response to the January 15 earthquake and an update on recent activities pertaining to water resources planning.

Item 17: Directors' Oral Reports

(NOTE: Committee meeting reports are given during the course of regular Board meeting activities)

- ◆ Director Wu reported on his attendance at the ACWA-JPIA Conference, his completion of ethics training, and his attendance at the MWD Art Recognition ceremony
- ◆ Director Ebenkamp reported on his attendance at the East West Bank press conference and the TVMWD Board meeting
- ◆ Director Hilden reported on his attendance at the ACWA-JPIA Conference
- ◆ Director Kwong reported on her attendance at the ACWA Conference, the East West Bank press conference, and the Diamond Bar appreciation luncheon
- ◆ Other than committee meetings as previously noted, Director Chang attended no meetings reportable under AB 1234

Item 18: Board of Directors Business

- ◆ The Board was asked to approve the proposed regular Board meeting schedule for 2009, which had been revised to change the proposed dates for May and December as requested by Director Ebenkamp. Director Wu questioned the date for the May Board meeting and Mr. Holmes advised that staff would review the schedule and present it at the February Board meeting.
- ◆ The Board was asked to review, recommend any revisions deemed appropriate, and at the Board's discretion, receive and file the General Manager's Fiscal Year 2008-09 Work Plan Quarterly Update.

Upon consideration thereof, to was moved by Director Ebenkamp, seconded by Director Wu and unanimously carried to receive and file the General Manager's Fiscal Year 2008-09 Work Plan Quarterly Update. (Item 18-B)

- ◆ President Hilden assigned Commission/Agency and Ad Hoc Committee positions as follows, noting he had considered Directors' schedules and ability to fulfill the duties required for the various positions in making these appointments:

JWL Commissioner:	E. Hilden
JWL Alternate:	S. Kwong
PBWA Representatives:	T. Ebenkamp and L. Chang
PBWA Alternate:	S. Kwong
TVMWD Representative:	E. Hilden
TVMWD Alternate:	T. Ebenkamp
JPIA Representative:	A. Wu
JPIA Alternate:	E. Hilden
ACWA Voting Delegate:	L. Chang
ACWA Voting Alternate:	T. Ebenkamp
Region 8 Delegate:	L. Chang
Region 8 Alternate:	T. Ebenkamp
Chamber Representative	T. Ebenkamp
Chamber Alternate:	E. Hilden
Building Ad Hoc:	A. Wu, Chair, and T. Ebenkamp, Member
Water Resources Ad Hoc:	T. Ebenkamp, Chair, and E. Hilden, Member

Item 19: Legal Reports

- ◆ Mr. Senecal briefed the Board on a \$13 billion water reliability bill currently before the Legislature. He also noted that there would be a brief closed session following the regular meeting.

Item 20: Activities Calendar Review – Mike Holmes

- ◆ Mr. Holmes referred to the January, February, and March 2009 calendars as previously provided. President Hilden noted that both he and Director Kwong, the District's PWR representatives, will be attending a conference and unable to attend the February 19 PWR Commission meeting. Mr. Holmes advised that he would look into requirements for appointing a substitute.

Item 21: Subjects for Future Meetings

- ◆ There were no requests for items to be reviewed at a future meeting.

Item 22: Adjourn to Closed Session – 7:15 P.M.

Item 23: Closed Session – 7:30 P.M.

- ◆ The Board met in closed session in accordance with Government Code §54956.9[a] to discuss two cases of pending litigation: (1) Karen Powers v. Walnut Valley Water District and Does 1-25, Los Angeles Superior Court Case No. KC052479R, and (2) Walnut Valley Water District v. Nationwide Auction Systems, Los Angeles Superior Court Case No. POM08C03198.

Item 24: Reconvene in Open Session/Report of Action Taken in Closed Session – 7:35 P.M.

- ◆ The Board met in closed session in accordance with Government Code §54956.9[a] to discuss two cases of pending litigation. The Board was briefed by Legal Counsel on the status of the Karen Powers v. Walnut Valley Water District and Does 1-25, Los Angeles Superior Court Case No. KC052479R, litigation, and the Walnut Valley Water District v. Nationwide Auction Systems, Los Angeles Superior Court Case No. POM08C03198, litigation. No action reportable under the Brown Act was taken.

Adjournment at 7:36 P.M.