



Minutes of the Regular Meeting  
of the Board of Directors of the Rowland Water District  
December 10, 2013 - 6:00 p.m.  
Location: District Office

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**PLEDGE OF ALLEGIANCE**

**ROLL CALL OF DIRECTORS**

President Szu Pei Lu-Yang  
Vice President John Bellah  
Director Anthony J. Lima  
Director Teresa P. Rios  
Director Robert W. Lewis

**ABSENT:**

None.

**OTHERS PRESENT:**

Janet Morningstar, Legal Counsel  
Dan Horan, Three Valleys Municipal Water District  
Joe Ruzicka, Three Valleys Municipal Water District  
Kirk Howie, Three Valleys Municipal Water District  
Erin Gilhuly, CV Strategies  
David and Teri Malkin, Residents  
Harry Peterson, Resident

**ROWLAND WATER DISTRICT STAFF**

Ken Deck, General Manager  
Ted Carrera, Assistant General Manager  
Tom Coleman, Assistant General Manager  
Rose Perea, Director of Administrative Services  
Sean Henry, Finance Officer

**ADDITION(S) TO THE AGENDA**

Upon motion by Director Lima, seconded by Director Lewis, and unanimously carried, the Board made a finding that the need to take action on a claim for damages from MetLife Auto & Home, on behalf of Michael and Glenda Fickey, arose after the posting of the agenda. The item "Review/Decline of Claim for Damages presented by MetLife Auto & Home on behalf of Michael and Glenda Fickey" was added to the Agenda at Tab 2.15.

**PUBLIC COMMENT ON NON-AGENDA ITEMS**

None.

**Tab 1 - CONSENT CALENDAR**

Upon motion by Director Lima, seconded by Director Lewis, the Consent Calendar was unanimously approved as presented.

**The approval of the Consent Calendar included:**

**1.1**

**Approval of the Minutes of Regular Board Meeting Held on November 12, 2013**

**1.2**

**Approval of the Minutes of Special Board Meeting Held on November 21, 2013**

**1.3**

**Demands on General Fund Account for November 2013**

**1.4**

**Investment Report for November 2013**

**1.5**

**Water Purchases for October 2013**

Next Regular Board Meeting

January 14, 2014, 6:00 p.m.

**Tab 2 - ACTION ITEMS**

**2.1**

**Approve Directors' Meeting Reimbursements for November 2013**

Upon motion by Director Lima, seconded by Director Rios, the Directors' Meeting Reimbursement Report was unanimously approved as presented.

**2.2**

**Administer Oaths of Office to John E. Bellah, Division 3; Robert W. Lewis, Division 4; and Szu Pei Lu-Yang, Division 5.**

Ms. Morningstar administered the Oaths of Office to Directors Bellah, Lewis and Lu-Yang.

**2.3**

**Approve Executive Officer Positions of the Board of Directors for 2014.**

The Board Rotation Policy was discussed by the Board. Upon motion made by Director Lewis, seconded by Director Bellah, the Board unanimously approved Director Szu Pei Lu-Yang's re-election to serve as President, and Director John Bellah's re-election to serve as Vice President for the calendar year 2014, by the following roll call vote:

AYES: Directors Lima, Lu-Yang, Lewis, Bellah and Rios

NOES: None

ABSENT: None

ABSTAIN: None

Motion was passed by a vote of 5-0.

**2.4**

**Review and Approve Board of Directors Committee Assignments for 2014**

All Committee assignments for the 2014 calendar year were discussed. A motion was made by Director Lewis, seconded by Director Rios, to appoint Director Rios as the primary representative and Director Bellah as the alternate representative to serve on the Rowland Heights Community Coordinating Council and to maintain all other Committee Assignments. The motion was unanimously carried.

**2.5**

**Approve/Confirm Appointment of Directors to Serve on the Puente Basin Water Agency**

A motion was made by Director Lewis, seconded by Director Bellah, to confirm the appointment of Director Lima and Director Lewis as commissioners of the Puente Basin Water Agency and General Manager, Ken Deck, as alternate commissioner. The motion was unanimously carried.

**2.6**

**Review and Approve Resolution 12-2013 of the Board of Directors Appointing Representatives to the Puente Basin Water Agency**

A motion was made by Director Lewis, seconded by Director Bellah, to approve Resolution No. 12-2013 appointing Director Lima and Director Lewis as commissioners of the Puente Basin Water Agency and General Manager, Ken Deck, as alternate commissioner to represent the District. The motion was approved by the following roll-call vote:

AYES:	Directors Lima, Lu-Yang, Lewis, Bellah and Rios
NOES:	None
ABSENT:	None
ABSTAIN:	None

Motion was passed by a vote of 5-0.

**2.7**

**Approve/Confirm Appointment of Director to Serve on the Pomona-Walnut-Rowland Joint Water Line Commission**

A motion made by Director Lewis, seconded by Director Lima, for the re-appointment of Directors Lima and Bellah as Commissioners to serve on the Pomona-Walnut-Rowland Joint Water Line Commission.. The motion was unanimously carried.

**2.8**

**Review and Approve District Investment Policy**

General Manager, Ken Deck, reported that legal counsel had reviewed the provisions of the Government Code governing investment of District funds and advised that no changes were needed to the District’s investment policy. Upon motion made by Director Lima, seconded by Director Bellah, and unanimously carried, the Board approved the motion to maintain the current District Investment Policy.

## **2.9**

### **Review and Approve Resolution 12.1-2013 Re-Authorizing Investment Authority to the General Manager**

A motion was made by Director Bellah, seconded by Director Lima, to approve Resolution No. 12.1-2013 Re-Authorizing Investment Authority to the General Manager.

Roll Call vote:

AYES: Directors Lima, Lu-Yang, Lewis, Bellah and Rios

NOES: None

ABSENT: None

ABSTAIN: None

The motion was passed by a 5-0 vote.

## **2.10**

### **Approve Financial Audit Report for Fiscal Year 2012-2013 Prepared by White Nelson Diehl Evans LLP**

Mr. Deck advised that no changes were made to the “Draft” Audit presented at the November 12, 2013 meeting for approval.

A motion was made by Director Lewis , seconded by Director Rios, to approve the Financial Audit Report for Fiscal Year 2012-2013 a presented. The motion was unanimously carried.

## **2.11**

### **Approve White Nelson Diehl Evans LLP Proposal for 2014-2016 Auditing Services**

General Manager, Ken Deck reported that the proposal from White Nelson Diehl Evans provided for a fee of \$20,500 for the first year of a three year contract to provide the District’s audit, with 3% increases in each of the following two years. After discussion it was staff’s recommendation that the Board approve the proposal for auditing services and upon motion made by Director Lima, seconded by Director Rios, and unanimously carried, the Proposal for 2014-2016 Auditing Services was approved as presented.

## **2.12**

### **Approve the Surplus of Office Chairs and Board Table**

General Manager, Ken Deck, provided a description of the items to be surplusd. After discussion a motion was made by Director Lima, seconded by Director Lewis, and unanimously carried to approve the surplus of office chairs and board table.

## **2.13**

### **Public Relations (Rose Perea)**

Rose Perea advised that the Edu-Grant Committee had awarded eight (8) Edu-Grants to the following schools in our service area: Jellick Elementary (1); Telesis Academy of Math and Science (3); and Blandford Elementary (4). The MWD Poster Contest Award Luncheon will be held at the MWD headquarters office on December 12, 2013. Our student winner, Alexis Lau, from Blandford Elementary will be there with her parents as well as the Principal, Mrs. Lovie. Mrs. Perea reported that the District has had a wonderful response from students who have taken the “Water Pledge” to conserve water. Their names will be included on the District website and the District has awarded approximately 75 McDonald’s certificates for a free hamburger. Mrs. Perea also reported that she had received an update from the National Theatre for Children on

the presentations made during the months of October and November and that the number of students reached with these presentations was 1,925. They estimate the presentations to be made in February will reach an additional 589 students, for a total of 2,514.

- **Communications Outreach (CV Strategies)**

Erin Gilhuly, CV Strategies, reviewed the Communications Strategies Update with the Board and advised that the press release featuring the new Assistant General Manager, Tom Coleman, had been sent to print and that it would also appear in the ACWA News. The press releases on the financial audit and the SCWUA award presented to the District are near completion.

- **Education Update**

Rose Perea, Director of Administrative Services, asked the Board whether they had any questions in connection with the Education Update provided in the Board packet.

## 2.14

### **Discussion of Upcoming Conferences, Workshops, or Events (Including Items that May Have Arisen after the Posting of the Agenda)**

- Urban Water Institute Spring Water Conference, February 19-21, 2013, Palm Springs, CA. Staff was instructed to provide the Board with the conference agenda once it is available so that they could determine whether it would be beneficial to attend.

## 2.15

### **Approve/Decline Claim for Damages presented by MetLife Auto & Home on behalf of Glenda and Michael Fickey**

After a brief discussion and a description of the claim filed against the District by MetLife Home & Auto on behalf of Michael and Glenda Fickey for damages sustained to their automobile caused by water from a broken fire hydrant which was apparently damaged in a hit-and-run accident, it was staff's recommendation that the Board deny the claim, and refer it to ACWA/JPIA for handling. A motion was made by Director Lewis, seconded by Director Bellah, and unanimously carried, to deny the claim for damages filed by MetLife Home & Auto on behalf of Michael and Glenda Fickey. Staff was instructed to forward the appropriate Notice of Rejection of Claim to MetLife Home & Auto with a copy to the District insurance carrier, ACWA/JPIA. Mr. Deck advised the Board that several automobiles were affected by the water, and that he expects more claims.

## **Tab 3 LEGISLATIVE INFORMATION**

### **3.1**

#### **Updates on Legislative Issues**

Nothing to report.

## **Tab 4 REVIEW OF CORRESPONDENCE**

Nothing to report.

## **Tab 5 COMMITTEE REPORTS**

### **5.1**

#### **Three Valleys Municipal Water District**

President Lu-Yang reported on her attendance at the November 20, 2013 Board meeting and advised that a legislative update was provided as well as information on the Fulton project. .

### **5.2**

#### **Association of California Water Agencies**

Director Lewis reported on his attendance at the ACWA Conference and noted that the JPIA sessions were excellent. He advised that at the noon luncheon, elections were held for the office of ACWA Vice President and there was a nomination from the floor, nominating Ms. Kathy Tiegs. Director Lewis reported to the Board that he voted as directed by the Board in favor of Ms. Tiegs. Director Rios advised that she completed her ethics training while at the conference and President Lu-Yang reported that she attended the communications outreach session and appreciated the fact that the District is at the forefront in this area.

### **5.3**

#### **Puente Basin Water Agency**

Director Lima reported on his attendance at the meeting held on November 14, 2013 and advised that the status of the following projects were discussed during the meeting:

- La Habra Heights Pipeline Project: Awaiting approval of the permit by the Los Angeles County Department of Health. Mr. Carrera has been in communications with the Department and is addressing their questions and clarifying the issues raised.
- Cal Domestic Pump Station: The pipe has been ordered; the pump station bids were accepted on November 25, 2013 and the project was awarded to Pacific Hydrotech. The Puente Basin Water Agency will approve the award of contract at the December 17, 2013 meeting.
- Puente Valley Operable Unit (PVOU): This is a clean-up project involving Northrop-Grumman. The next meeting between Rowland Water District and Northrop Grumman is scheduled for December 17, 2013.

Mr. Deck advised that Rowland and Walnut had met with the Army Corps of Engineers and discussed several projects in the event Congress passes a WRRDA bill.

### **5.4**

#### **Joint Powers Insurance Authority**

Nothing to report.

### **5.5**

#### **Project Ad-Hoc Committee**

The next meeting is scheduled for January 16, 2014.

### **5.6**

#### **Regional Chamber of Commerce**

President Lu-Yang reported that the Executive Director is on leave for five months serving in the U. S. Army Reserve.

## **5.7**

### **PWR Joint Water Line Commission**

Director Lima reported that the next quarterly meeting is scheduled for February 2014.

## **5.8**

### **Sheriff's Community Advisory Council**

President Lu-Yang reported that former undersheriff, Paul Tanaka, will be challenging Sheriff Leroy Baca in next year's election.

## **5.9**

### **Rowland Heights Community Coordinating Council**

Director Rios advised that the Coordinating Council will be distributing toys to children on December 19, 2013 and will host "Santa and Hot Cocoa" for the children. Director Bellah noted that the Council is in the process of re-evaluating the Community Standard District. Resident, Teri Malkin, advised that improvements have been made in the signage and public parking safety aesthetics and parking lot lighting at Pathfinder Park.

## **Tab 6 OTHER REPORTS, INFORMATION ITEMS AND COMMENTS**

### **6.1**

#### **Personnel Report**

Nothing to report.

### **6.2**

#### **Engineer's Report**

Mr. Carrera reported that MWD has announced that the Weymouth Plant will be down for ten days in 2016 for rehabilitation and repair. With the two new RWD connections currently underway, the District will be in a much better position with the diversification of its water supplies.

## **Tab 7 ATTORNEY'S REPORT (Ms. Morningstar)**

Legal counsel, Janet Morningstar, reported that in the Capistrano Valley Taxpayers Association vs. City of Capistrano suit, challenging a tiered water rate under Proposition 218, the taxpayers association won at the trial court level. The case is on appeal, and ACWA's Legal Affairs Committee made a recommendation that ACWA submit an amicus curiae brief on behalf of the City in the appeal. The basis of the challenge was that the rate study did not establish an adequate connection between rates and the cost of providing service, and that customers could not be charged for the cost of a recycled water system that was not available for their use even though the provision of recycled water for appropriate uses made more potable water available for the customers not using recycled water.

## **Directors' and General Manager's Comments**

Director Rios would like to see how the District's meters are automatically read and requested a "ride-along" with District meter readers to view the process.

## **Future Agenda Items**

None.

**Late Business**

None.

Next Regular Board Meeting

January 14, 2014, 6:00 p.m.

A motion was made by Director Lima, seconded by Director Rios, and unanimously carried to adjourn the meeting. The meeting was adjourned 7:16 p.m.

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SZU PEI LU-YANG  
Board President

Attest: \_\_\_\_\_  
KEN DECK  
Board Secretary