



Minutes of the Regular Meeting
of the Board of Directors of the Rowland Water District
December 11, 2012 - 6:00 p.m.
Location: District Office

PLEDGE OF ALLEGIANCE

ROLL CALL OF DIRECTORS

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

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
Cara Van Dijk, CV Strategies
David and Teri Malkin, Residents
Harry Peterson, Resident

ROWLAND WATER DISTRICT STAFF:

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

ADDITION(S) TO AGENDA

None.

PUBLIC COMMENT ON AGENDA ITEMS

None.

Tab 1 - CONSENT CALENDAR

Upon motion by Director Lewis, seconded by Vice President Lu-Yang, the Consent Calendar was approved as presented. The motion was unanimously carried.

The approval of the Consent Calendar included:

1.1

Approval of the Minutes of Regular Board Meeting Held on November 13, 2012

1.2

Approval of the Minutes of Special Board Meeting Held on November 27, 2012

1.3

Investment Report for November 2012

1.4

Water Purchases for October 2012

1.6

Calendar of Events for December 2012

Next Regular Board Meeting: January 8, 2013

Tab 2 - ACTION ITEMS

2.1

Approve Directors' Meeting Reimbursements for November 2012

Upon motion by Vice President Lu-Yang, seconded by Director Rios, the Directors' Meeting Reimbursement Report was approved as presented. The motion was unanimously carried.

2.2

Review and Approve Amended Budget for Fiscal Year 2012-2013

Finance Officer, Sean Henry, reviewed the Amended Budget and advised that the items changed were noted in red on the Amended Budget, i.e., "Total Operating Expenses" which included an increase in the 2012-2013 proposed Fixed Charges in the amount of \$115,000 -- 100% of the fixed charges imposed by Metropolitan Water District paid by TVMWD; previously TVMWD charged only 50% of the Metropolitan fixed charges. The category formerly entitled "Public Relations" will now be entitled "Community Outreach". The name change had no monetary affect on the Budget. Upon the recommendation of the District's auditors, a new category was created entitled "Water Supply Planning and Development" for engineering reports and studies conducted in connection with District projects. Previously, these amounts were capitalized along with the projects, however the auditors advised that reports and studies that do not result in actual capital projects may not be amortized as capital expenses under accounting rules. This created an additional proposed increase of \$100,000 to Operating Expenses. These two items changed the Total Operating Expenses from \$725,000 to \$940,000. Estimated net income changed from \$833,000 to \$618,000. Upon motion by Director Lewis, seconded by seconded by Director Bellah, the 2012-2013 Budget was approved as amended. The motion was unanimously carried.

2.3

Approve Executive Officer Positions of the Board of Directors for 2013

The Board Rotation Policy was discussed by the Board. Upon motion made by Director Lewis, seconded by Director Rios, the Board unanimously approved Director Szu Pei Lu-Yang's election to serve as President, and Director John Bellah's election to serve as Vice President for the calendar year 2013, by the following roll call vote 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 2013

All Committee assignments for the 2013 calendar year were discussed.

A motion was made by Vice President Lu-Yang, seconded by Director Lewis, to maintain the current Committee Assignments and to eliminate the Finance Ad Hoc Committee. The motion was unanimously carried.

2.5

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

A motion was made by Director Bellah, seconded by Director Lewis, to confirm the appointment of Director Lima and Director Lewis as a 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 No. 12-2012 of the Board of Directors Appointing a Representative to the Puente Basin Water Agency

A motion was made by Director Lewis, seconded by Vice President Lu-Yang, to approve Resolution No. 12-2012 appointing Director Lima and Director Lewis as a 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 Directors to Serve on the Pomona-Walnut-Rowland Joint Water Line Commission

A motion made by Director Lewis, seconded by Vice President Lu-Yang, for the re-appointment of Directors Lima and Bellah as Commissioners to serve on the Pomona-Walnut-Rowland Joint Water Line Commission and represent the District was unanimously approved.

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 Vice President Lu-Yang, seconded by Director Lewis, and unanimously carried, the Board approved the motion to maintain the current District Investment Policy.

2.9

Review and Approve Resolution No. 12.1-2012 Re-Authorizing Investment Authority to the General Manager

A motion was made by Director Lewis, seconded by Vice President Lu-Yang, to approve Resolution No. 12.1-2012 Re-Authorizing Investment Authority to the General Manager.

Roll Call vote:

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

The motion was passed by a 5-0 vote.

2.10

Approve Change in IRS Mileage Rate from \$.555 to \$.565 to be Effective January 1, 2013

Upon motion by Vice President Lu-Yang, seconded by Director Lewis, the IRS Standard Mileage Rate of \$.565 effective January 1, 2013, as approved by the following roll call vote:

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

The motion was passed by a 4-0 vote.

2.11

Approve Financial Audit Report for Fiscal Year 2011-2012 Prepared by White Nelson Diehl Evans LLP

Mr. Henry advised that the only change to the Draft Financial Audit Report was the addition of an explanatory note number 14 “Subsequent Event” referring to the sale of 2012 Series A Revenue Bonds issued by the Puente Basin Water Agency funded by proceeds of an Installment Sale Contract on a Rowland Water District Project. No other changes had been made to the Draft of the Financial Audit Report for Fiscal Year 2011-2012 previously presented.

A motion was made by Director Lewis, seconded by Vice President Lu-Yang, to approve the Financial Audit Report for Fiscal Year 2011-2012 as presented. The motion was unanimously carried.

2.12

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 20-22, 2013, Palm Springs, CA. Directors Lima and Bellah requested that staff make reservations for their attendance at this conference and that this item be presented again for discussion at the January Board meeting to confirm the possibility of additional Directors’ attendance.

Tab 3 LEGISLATIVE INFORMATION

3.1

Updates on Legislative Issues

Mr. Deck reported that he had met with the District’s lobbyist regarding possible proposals to amend Proposition 218 and Proposition 13, and potential efforts of the Legislature to take local agency reserve funds. .

Tab 4 REVIEW OF CORRESPONDENCE

Nothing to report.

Tab 5 COMMITTEE REPORTS

5.1

Three Valleys Municipal Water District

Vice President Lu-Yang reported on her attendance at the Three Valleys MWD Board meeting held on November 28, 2012 and commented on the presentation made on the Cadiz Project. She noted that Three Valleys has created an Ad Hoc Committee to further review this project. Mr. Deck reported that Rowland, Walnut, La Verne and Three Valleys will be meeting monthly to review the regional projects to develop an implementation plan. Mr. Kirk Howie advised that the next Board meeting will be held on December 19, 2012, at 10:00 a.m. instead of 8:00 a.m.

5.2

Joint Powers Insurance Authority

Nothing to report.

5.3

Association of California Water Agencies

Directors Lima, Lewis and Bellah reported on their attendance at the ACWA Conference held on December 4-7, 2012.

5.4

Project Ad-Hoc Committee

Mr. Lima reported that the next meeting will be held on December 12, 2012 at 7:00 a.m.

5.5

Regional Chamber of Commerce

Vice President Lu-Yang reported that the next Executive Committee meeting will be held on December 14, 2012, the next Board meeting will be held on December 20, 2012 and that the Golf Tournament will be held on February 4, 2013.

5.6

PWR Joint Water Line Commission

Nothing to report.

5.7

Puente Basin Water Agency

Mr. Deck advised that the pipeline projects are proceeding and that the La Habra Heights County Water District pipeline project bid opening for labor and materials will be held on December 18, 2012 and that the Puente Basin Water Agency is now a party to the Central Basin Judgment.

5.8

Sheriff's Community Advisory Council

Vice President Lu-Yang reported that at last week's meeting the Sheriff's Community Advisory Council made a request to provide safety brochures and materials in different languages to the District which could be displayed in the District's lobby for the customers' information. No future meeting has been scheduled.

5.9

Rowland Heights Community Coordinating Council

Director Bellah reported that Assemblyman Curt Hagman presented an updated report and that the California Highway Patrol and Town Sheriff also provided a report at the meeting.

Tab 6

OTHER REPORTS, INFORMATION ITEMS AND COMMENTS

6.1

Public Relations

Mrs. Perea reported that the District had three Edu-Grant recipients: Telesis Academy Intermediate, Alvarado Intermediate and Nogales High School. Brittne presented a power point presentation to Nogales High School on "Where our Water Comes From" and activities on the water cycle and water conservation. The teacher was very appreciative and the presentation was well received. She also attended another presentation at the Science Center at Wedgeworth

Elementary and is working with the teacher there to develop and expand her activities. Cara Van Dijk, CV Strategies, presented the Communications update for the month

6.2

Personnel Report

General Manager, Ken Deck, reported on the termination of a Customer Service Representative and on the new Customer Service Representative which will fill the vacant position on December 17, 2012.

6.3

Engineer's Report

Mr. Carrera reported on the "Agency Spotlight" article on Rowland Water District's Recycled Water program which was included in the Water Reuse Magazine and commended Dusty Moisio, Water Resources Technician, for his contribution to the article, and CV Strategies for their assistance.

Tab 7 ATTORNEY'S REPORT (Ms. Morningstar)

Nothing to report.

Tab 8 CLOSED SESSION

President Lima adjourned the meeting to closed session at 7:20 p.m. Legal counsel, Morningstar announced that the closed session was being held pursuant to Government Code Section 54956.8 in order to confer with the District's negotiator in connection with items a. and d. below.

- a. Conference with Real Property Negotiator Pursuant to Government Code Section 54956.8
Property: Purchase of Water Rights in the Central and Main San Gabriel Basins
District Negotiator: Ken Deck, General Manager
Negotiating Parties: Petersburg, L.P.
Under Negotiation: Price and Terms

- b. Conference with Real Property Negotiator Pursuant to Government Code Section 54956.8
Property: Lease of Water Rights in the Main San Gabriel Basin
District Negotiator: Ken Deck, General Manager
Negotiating Parties: Covina Irrigating Company
Under Negotiation: Price and Terms

- c. Conference with Real Property Negotiator Pursuant to Government Code Section 54956.8
Property: Lease of Water Rights in the Main San Gabriel Basin
District Negotiator: Ken Deck, General Manager
Negotiating Parties: Sierra Water Group
Under Negotiation: Price and Terms

- d. Conference with Real Property Negotiator Pursuant to Government Code Sec. 54956.8
- Property: A Portion of the Parcel at 1015 Nogales Street, Rowland Heights, Ca APN# 8264-021-028
- Negotiating Parties: John A. Rowland, Jr., Trustee
- District Negotiator: Ken Deck, General Manager
- Under Negotiation: Price and Terms of Sale

Upon returning to open session, legal counsel reported that the Board discussed the status of negotiations in connection with item a. and that the Board instructed the District Negotiator to continue with the negotiations.

With respect to item d., the Board authorized District Negotiator, Ken Deck, concerning price and terms.

Items b. and c. were not discussed.

The closed session was adjourned and the Board resumed the meeting in open session at 7:42 p.m.

Directors' and General Manager's Comments

President Lima thanked the Board and staff for their support and assistance during his term as President of the Board.

Future Agenda Items

- Urban Water Institute Spring Water Conference February 20-22, 2013, Palm Springs, CA

Late Business

None.

Next Regular Meeting of the Board of Directors: January 8, 2013, 6:00 p.m.

A motion was made by Director Rios, seconded by Director Bellah, and unanimously carried to adjourn the meeting. The meeting was adjourned at 7:45 p.m.

ANTHONY J. LIMA
Board President

Attest: _____
KEN DECK
Board Secretary