



Minutes of the Regular Meeting
of the Board of Directors of the Rowland Water District

June 12, 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
Mr. Kirk Howie, Three Valleys Municipal Water District
Erin Gilhuly, CV Strategies
Karen Vipperman, La habra Heights Resident
Howard Vipperman, La habra Heights Resident
Stephen Blagden, La Habra Heights Resident
George Edwardz, The Avocado Express

ROWLAND WATER DISTRICT STAFF:

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

ADDITION(S) TO AGENDA

None

PUBLIC COMMENT ON AGENDA ITEMS

Mrs. Karen Vipperman, La Habra Heights resident, addressed the Board and commented that she, as well as a majority of La Habra Heights residents, are very much in favor of the La Habra Heights Pipeline Project and feels that it will benefit both districts greatly. She is hopeful that the Board moves forward with the project.

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 May 1, 2012

1.2

Approval of the Minutes of Special Board Meeting Held on May 22, 2012

1.3

Demands on General Fund Account for April and May, 2012

1.4

Investment Report for April and May, 2012

1.5

Water Purchases for April

1.6

Calendar of events for June and July 2012

Special Board Meeting: June 26, 2012

Regular Board Meeting: July 10, 2012

Tab 2 - ACTION ITEMS

2.1

Approve Directors' Meeting Reimbursements for May 2012

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

2.2

Review and Approve Cost of Living Increase for Non-Exempt Employees Based on Merit

After Discussion and comments by staff and the Board, a motion was made by Director Lewis, seconded by Director Rios, and unanimously carried, to approve a cost of living increase for non-exempt employees based on merit in the amount of 2% and exempt-class employees will be given administrative leave in lieu of a pay increase. Staff was instructed to implement the increase effective July 1, 2012.

2.3

Review and Approve RWD Draft Budget for 2012-2013

Mr. Deck advised the Board that the only change to the draft Budget was the inclusion of the two percent (2%) salary increase for non-exempt employees. A motion was made by Vice President Lu-Yang, and seconded by Director Lewis, to approve the 2012-2013 Budget as presented. The motion was unanimously carried.

2.4

Review and Approve Resolution No. 6-2012 Declaring Official Intent to Reimburse Expenditures from the Proceeds of Tax Exempt Securities and Directing Staff to Proceed with the Planning for the Issuance of Water Revenue Obligations

Mr. Deck recommended that the Board adopt Resolution 6-2012 stating the intention of the Board to reimburse District reserves for expenditures made on projects prior to the securing of financing from the proceeds of tax exempt securities.

After discussion by members of the Board, a motion was made by Vice President Lu-Yang, seconded by Director Lewis to adopt Resolution No. 6-2012 to declare Rowland Water District's intent to reimburse expenditures from the proceeds of tax exempt securities and direct staff to proceed with planning for the issuance of water revenue obligations. The motion was unanimously carried by the following roll call vote:

Ayes: Directors Lima, Lu-Yang, Lewis, Bellah and Rios
Noes: None
Absent: None
Abstain: None

The motion passed by a vote of 5-0.

2.5

Authorize the General Manager to Proceed with the La Habra Heights Pipeline Project

Mr. Deck advised the Board that the Agreement has been signed by Orchard Dale Water District and La Habra Heights County Water District. Staff has reviewed the CEQA Guidelines (Title 14, Article 18, Section 15282(k)) and the Public Resources Code Section 21080.21 and has determined that this project qualifies for a Statutory Exemption based on the following:

1. The pipeline is less than one (1) mile in length.
2. There are no surface structures.
3. The entire pipeline is below ground.
4. The entire pipeline is within the Public Right of Way.

Staff will file the required Notice of Exemption with the Los Angeles County Clerk and request posting of the Notice which will commence the thirty-five day review period.

Upon motion made by Director Lewis, seconded by Director Bellah, and unanimously carried, staff was authorized to file the Notice of Exemption and to proceed with the La Habra Heights Pipeline Project.

2.6

Communications and Public Outreach Strategic Plan Update

Erin Gilhuly, President of CV Strategies, provided an update on the District's public outreach strategic plan and provided the Board with a draft copy of the 2011 Consumer Confidence Report which will be mailed out for delivery to District customers by July 1, 2012. She also provided the Board with a copy of the San Gabriel Valley Tribune article "Board officials vote on historic water purchase" which was published on June 10, 2012.

2.7

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

- Urban Water Institute 19th Annual Water Conference, August 22-24, 2012, Mission Bay, San Diego.

The Board was asked to advise staff of their intention to attend the conference.

- Regional Chamber of Commerce Board Retreat, August 3-4, 2012.

Upon motion made by Director Lewis, seconded by Director Rios, and unanimously carried, the Board authorized Vice President Lu-Yang's attendance at the Chamber of Commerce Board Retreat.

- Regional Chamber of Commerce Installation Dinner, Pacific Palms, June 28, 2012

Board instructed staff to make reservations for Directors Lewis, Lu-Yang and Rios for their attendance at the installation dinner.

2.8

Letter of Intent from Black Dot Capitol

General Manager, Ken Deck, discussed a letter of intent he had received from Black Dot Capital for the purchase of the District's cell site leases. Because further evaluation of the terms is necessary, this item was provided for information purposes only.

Tab 3 LEGISLATIVE INFORMATION

3.1

Updates on Legislative Issues

Provided for information purposes only.

Tab 4 REVIEW OF CORRESPONDENCE

None.

Tab 5 COMMITTEE REPORTS

5.1

Three Valleys Municipal Water District

Vice President Lu-Yang reported on her attendance at the May 16, 2012 meeting and advised that Mr. Stephen Ly made a presentation to the Board of the opportunities provided by the Regional Chamber of Commerce. He advised that he will be in communication with various members of the Chamber to avoid any duplication. President Lima reported on a presentation given by NLine Energy on potential upgrades to the Miramar Hydro facility to improve efficiency. Director Lewis reported on his attendance at the Three Valleys Leadership Breakfast and following the presentation made on "Communicating the Value of Water" he felt that our public outreach and communication plan is right on target.

5.2

Joint Powers Insurance Authority

Nothing to report.

5.3

Association of California Water Agencies

Mr. Lewis commented on the letter contained in the board packet from ACWA HBA confirming the dissolution of the ACWA HBA and transition of employee benefits to ACWA/JPIA.

5.4

Project Ad-Hoc Committee

President Lima and Vice President Lu-Yang reported that they had reviewed current projects and their progress with staff at their June 5, 2012 meeting.

5.5

Regional Chamber of Commerce

Vice President Lu-Yang advised the Board that at the June 28, 2012 installation dinner, Mr. Stephen Ly will be installed as permanent CEO and that the Power Lunches are still in effect. She also noted that the Chamber is expanding its membership to include the cities of West Covina and Baldwin Park. Mr. Ruzicka advised that Mr. Chuck Bennett had been appointed to replace him as Chairman of the Government Affairs Committee and that he had been appointed as Chairman of the Political Affairs Committee.

5.6

PWR Joint Water Line Commission

Nothing to report.

5.7

Puente Basin Water Agency

Mr. Lewis reported that staff had provided an update on current projects in which the Agency is engaged.

5.8

Sheriff's Community Advisory Council

Vice President Lu-Yang advised that she had been issued a badge as a member of the Advisory Council and that new Community Service Officer, Deputy Denver is very proactive. She also advised that the Council now has a website at www.walnut.diamondbar.lasd.org and encourage everyone to view the site.

5.9

Rowland Heights Community Coordinating Council

Director Rios reported that she had attended the meeting and felt that the Council provides valuable information on the community. She is looking forward to attending these meetings regularly.

Tab 6 ATTORNEY'S REPORT (Ms. Morningstar)

Nothing to report.

President Lima re-ordered the Agenda and moved Tab 8 to this point in the Agenda.

Tab 8 OTHER REPORTS, INFORMATION ITEMS AND COMMENTS

8.1

Public Relations

Mrs. Perea reported that she had mailed the top ten poster selections to Metropolitan Water District and had delivered the District's Certificates of Recognition and McDonald's certificates to each of the students participating as well as thank you letters to the teachers for taking the time to participate in this program. The District will be notified during the summer whether any of the entries will be included in the 2013 MWD Calendar. She also delivered Certificates to the Wilson High School and Nogales High School teachers for participation in the Video Contest as well as the \$400.00 cash prize to Nogales High School and the \$50.00 cash prize to Wilson High School. An article and picture of the Nogales winners will be included in this year's CCR. The "Value of Water" bill stuffer was included with the bills sent out on Wednesday, June 6, and will continue through the billing cycles until July 25, 2012.

8.2

Personnel Report

Nothing to report.

8.3

Engineer's Report

Nothing to report.

Tab 7 CLOSED SESSION

President Lima adjourned the meeting to closed session at 6:55 p.m. Legal counsel, Janet Morningstar, announced that the purpose of the closed session, and the provision of the Brown Act authorizing the closed session were listed in the agenda.

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: Hawks Bay
Under Negotiation: Price and Terms

The Board directed its negotiator, Ken Deck, to proceed with negotiations with Hawks Bay for the purchase of water rights on the terms discussed.

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

The Board directed its negotiator, Ken Deck, to continue exploring the possibility of leasing water rights from Covina Irrigating Company on the terms discussed.

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

The Board directed its negotiator, Ken Deck, to continue exploring the possibility of leasing water rights from Sierra Water Group on the terms discussed.

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

Nothing to report.

The closed session was adjourned and the Board resumed the meeting in open session at 7:25 p.m. Legal counsel, Janet Morningstar, reported that Mr. Deck had been authorized to proceed with negotiations on items a., b. and c. and that no action had been taken on item d.

Directors' and General Manager's Comments

Nothing to report.

Future Agenda Items

- Discuss the sale of the District's cell site leases.
- Establish a second regularly held Board meeting on the fourth Tuesday of each month.

Late Business

None.

Next Special Meeting of the Board of Directors to be held on June 26, 2012.

Next Regular Board Meeting of the Board of Directors to be held on July 10, 2012

A motion was made by Director Rios, seconded by Vice President Lu-Yang, and unanimously carried to adjourn the meeting. The meeting was adjourned at 7:30 p.m.

ANTHONY J. LIMA
Board President

Attest: _____
KEN DECK
Board Secretary