



Minutes of the Regular Meeting
of the Board of Directors of the Rowland Water District
February 10, 2015 - 6:00 p.m.
Location: District Office

PLEDGE OF ALLEGIANCE

ROLL CALL OF DIRECTORS

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

ABSENT:

Director Teresa P. Rios

OTHERS PRESENT:

Joseph Byrne, Legal Counsel, Best Best & Krieger
Dan Horan, Three Valleys Municipal Water District
Joe Ruzicka, Three Valleys Municipal Water District
Kirk Howie, Three Valleys Municipal Water District
Harry Peterson, Resident
David and Teri Malkin, Residents
Erin La Combe Gilhuly, CV Strategies

ROWLAND WATER DISTRICT STAFF

Tom Coleman, General Manager
Rose Perea, Director of Administrative Services
Sean Henry, Finance Officer
Dave Warren, Director of Operations

ADDITION(S) TO THE AGENDA

None.

PUBLIC COMMENT ON NON-AGENDA ITEMS

Mr. Peterson reported that he had attended the Rowland Heights Community Coordinating Council meeting and that Mr. Ricky Choi, Community Relations Project Manager for the ACE Project, had made a presentation on the Nogales Grade Separation and the Fullerton Road Grade Separation and noted that ACE appreciated the cooperation they received from the Rowland Water District and Walnut Valley Water District in connection with these projects.

Tab 1 - CONSENT CALENDAR

President Lu-Yang noted corrected the date for the next Special Board Meeting and noted that it should be February 24, 2015 not February 27, 2015. Upon motion by Director Lima, seconded by Director Lewis, the Consent Calendar was approved as corrected by a 4-0 vote; Director Rios being absent.

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

The approval of the Consent Calendar included:

1.1

Approval of the Minutes of Regular Board Meeting Held on January 13, 2015

1.2

Approval of the Minutes of Special Board Meeting Held on January 27, 2015

1.3

Demands on General Fund Account for December 2014

1.4

Investment Report for December 2014

1.5

Water Purchases for December 2014

Next Special Board Meeting February 24, 2015, 5:00 p.m.
Next Regular Board Meeting March 10, 2015, 6:00 p.m.

Tab 2 - ACTION ITEMS

2.1

Approve Directors’ Meeting Reimbursements for January 2015

Upon motion by Director Lima, seconded by Director Lewis, the Directors’ Meeting Reimbursement Report was approved by a 4-0 vote; Director Rios being absent.

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

2.2

Receive and File Puente Basin Financial Audit Report for Fiscal Year Ended June 30, 2014 Prepared by Mayer Hoffman McCann P.C.

Mr. Coleman advised the Board that the Puente Basin Water Agency had approved the Report at its January 29, 2015 meeting. A motion was made by Director Lima, seconded by Director Bellah, to receive and file the Financial Audit Report as presented. The motion was passed by a 4-0 vote; Director Rios being absent.

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

2.3

Discussion on Revisions to the Brown Act for 2015 and Revised FPPC Gift Limits and Disqualification Processes Presented by Legal Counsel, Joseph Byrne, Best Best & Krieger

Legal counsel, Joseph Byrne, advised the Board that although no revisions were made in 2015 to the Brown Act, significant changes were made by the California Fair Political Practices Commission (FPPC) to the gift limits and disqualification processes. The FPPC has revised upward the gift limit to \$460 for 2015-2016, setting a ceiling on the value of any gift, or accumulated gifts, a public official may lawfully receive from a single source in any calendar year. He called attention to the fact that public officials who are required to file the Form 700 need to keep in mind that the “gift limit” is different from the gift reporting requirement from a single source in a calendar year of \$50 or more which must be reported on the Form 700. He also discussed with the Board the gift limit in the context of conflicts of interest and disqualification, and made them aware of minor changes to FPPC regulations regarding disqualifying financial interests.

2.4

Review and Approve Agreement for Provision of Services by Bellflower-Somerset Mutual Water Company on Behalf of Rowland Water District

General Manager, Tom Coleman, discussed the need for the Agreement in the event Bellflower-Somerset staff members assist Rowland on project specific matters and advised that Legal Counsel, Joe Byrne, had worked with the District is finalizing the Agreement. Mr. Coleman explained that these shared services agreements will be utilized in the form of mutual aid instruments when assisting other districts or requesting assistance from other districts. Mr. Coleman and Mr. Byrne answered questions posed by members of the Board and after discussion, a motion was made by Director Lewis and seconded by Director Lima, to approve the Agreement as presented. The motion was passed by a 4-0 vote; Director Rios being absent.

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

2.5

Review and Approve First Amendment to Agreement for Employment of General Manager

Mr. Coleman advised that the Board had requested that he look into term life insurance for the General Manager in the event of his death while serving in that position. Currently under his contract, the payment of the death benefit would be made in one lump sum, in cash. The use of a life insurance policy to comply with the payment of this benefit would be less demanding on the District at the time of payment. After discussion and upon motion by Director Lewis, seconded by Director Lima, the Board approved the First Amendment to Agreement for Employment of General Manager by a 4-0 vote; Director Rios being absent.

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

2.6

Review and Approve Life Insurance Benefit Policy

General Manager, Tom Coleman, discussed the Policy with the members of the Board and upon staff's recommendation, a motion was made by Director Lima, seconded by Director Lewis to approve the Life Insurance Benefit Policy as presented. The motion was passed by a 4-0 vote; Director Rios being absent.

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

2.7

Receive and File Rowland Water District's Statement of Operations for Period Covering July 1, 2014 through December 31, 2014

Mr. Henry provided a Power Point presentation and explained the report covering the period July 1, 2014 through December 31, 2014, in detail and noted that the Revenue Summary reflects a three percent (3%) increase. He reviewed the Operating Expense Summary and explained that the Debt Service Expense was 24% of the total operating expenses. Mr. Henry answered questions posed by members of the Board and after discussion, a motion was made by Director Lewis, seconded by Director Lima, to receive and file the Statement of Operations as presented. The motion was passed by a 4-0 vote; Director Rios being absent.

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

2.8

Receive and File Rowland Water District's Quarterly Investment Review as of December 31, 2014

Mr. Henry presented a Power Point presentation and reviewed each slide, summarizing the report for the Board and noted the balances as of December 31, 2014, indicated that a very low interest rate environment still exists. He explained the investments, maturity dates and rates of return which were included in the report. After discussion, a motion was made by Director Lima, seconded by Director Lewis, to receive and file the Investment Report as presented. The motion was passed by a 4-0 vote; Director Rios being absent.

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

2.9

Public Relations (Rose Perea)

Mrs. Perea reported that the MWD Traveling Art Show will be displayed here at the District office during the week of May 21-28, 2015. Although the Participation forms and Guidelines for the 2016 Poster Contest were not received until January 20, 2015, the MWD Poster Contest letters have gone out to all schools. The Poster Contest deadline for submission to MWD was moved up two months to April 17, 2015 instead of June 1. Hopefully the District schools will have enough time to create and submit the poster art in time. Mrs. Perea advised the Board that the District will be participating in the Cherry Blossom Festival to be held on March 7, 2015, 10:00 a.m. to 4:00 p.m. at Schabarrum Regional Park in Rowland Heights.

Communications Outreach (CV Strategies)

Erin La Combe Gilhuly, CV Strategies, reported that there are three press releases in process: Northrop Grumman Superfund Release; Capital Improvement Projects Release; and Strategic Planning Process Launching Release. She will be working with Director of Operations, Dave Warren, in March to commence collecting data and information to be included in the Consumer Confidence Report.

Education Update

For information purposes.

2.10

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

- CUEMA Elected Officials Summit, March 29-30, 2015, Renaissance Esmeralda Hotel, Indian Wells, CA
Staff was asked to make reservations for the following Directors: Lu-Yang, Rios, Bellah, Lewis and Lima.

Tab 3 LEGISLATIVE INFORMATION

3.1

Updates on Legislative Issues

None.

Tab 4 REVIEW OF CORRESPONDENCE

None.

Tab 5 COMMITTEE REPORTS

5.1

Three Valleys Municipal Water District

President Lu-Yang reported on her attendance at the February 4, 2015 Regular Board meeting and advised that a presentation was made by Andy Malone, Six Basins Watermaster, who spoke on subsidence in the Chino Basin. Director Lima reported that Metropolitan Water District (MWD) had announced the adoption of their 2016 water rates and Mr. Howie advised that Three Valleys Municipal Water District will be able to subsidize the MWD rate next year.

5.2

Joint Powers Insurance Authority

Nothing to report.

5.3

Association of California Water Agencies

Nothing to report.

5.4

Puente Basin Water Agency

Director Lima reported on the meeting held on January 29, 2015, and advised that the annual rotation had taken place appointing Mr. Ted Ebenkamp as the new Commissioner. There will be no meeting held in February; the next meeting is scheduled for March 5, 2015.

5.5

Project Ad-Hoc Committee

Nothing to report.

5.6

Regional Chamber of Commerce

Director Lewis reported that the Government Affairs Committee met on February 9, 2015 and that they are continuing to work on their "Public Policy Platform". The Farmers' Market is still being held on Saturdays at Mount San Antonio College.

5.7

PWR Joint Water Line Commission

The next meeting will be held on February 19, 2015.

5.8

Sheriff's Community Advisory Council

President Lu-Yang reported that overall crime is down in the Rowland Heights area. Through Supervisor Don Knabe's office, two additional cars are being provided during the day in the Rowland Heights area, and at night they focus on the City of Industry area.

Tab 6 OTHER REPORTS, INFORMATION ITEMS AND COMMENTS

6.1

Personnel Report

Nothing to report.

6.2

Engineer's Report

Dave Warren Director of Operations, reported that the Booster Station is in its final phase of completion, however, cannot be finalized until the turnout section is completed.

Tab 7 ATTORNEY'S REPORT

Nothing to report.

President Lu-Yang re-ordered the Agenda and moved the **Directors' and General Manager's Comments** section to this portion in the Agenda.

Directors’ and General Manager’s Comments

President Lu-Yang commended CV Strategies on their article covering the Rowland Water District election of officers which they submitted to be included in the ACWA News.

Tab 8 CLOSED SESSION

President Lu-Yang adjourned the meeting to closed session at 7:41 p.m. President Lu-Yang 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 the following:

Conference with Real Property Negotiator Pursuant to
Government Code Section 54956.8

Property: Lease of Water Rights in the
Central Basin

District Negotiator: Tom Coleman, General Manager

Negotiating Parties: Various Water Rights Holders

Under Negotiation: Price and Terms

Upon returning to open session, legal counsel reported that the Board discussed the status of negotiations and that no reportable action under the Brown Act was taken.

The closed session was adjourned and the Board resumed the meeting in open session at 8:05 p.m.

Future Agenda Items

None.

Late Business

None.

A motion was made by Director Lima, seconded by Director Lewis, and unanimously carried to adjourn the meeting. The meeting was adjourned at 8:10 p.m.

SZU PEI LU-YANG
Board President

Attest: _____
TOM COLEMAN
Board Secretary