



Minutes of the Regular Meeting
of the Board of Directors of the Rowland Water District
August 12, 2014 - 6:00 p.m.
Location: District Office

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
Joe Ruzicka, Three Valleys Municipal Water District
Kirk Howie, Three Valleys Municipal Water District
Erin La Combe Gilhuly, CV Strategies
Harry Peterson, Resident
Jeff A. Stava, Attorney at Law, Nossaman LLP
Michael Busch, Urban Futures
David and Teri Malkin, Residents

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

None.

PUBLIC COMMENT ON NON-AGENDA ITEMS

Mr. Peterson asked about an expenditure included in the Demands on General Fund Account for first aid treatment, and was informed that an employee had had a minor injury for which first aid treatment was given as a precaution. Mr. Peterson also asked why there were no water purchases from the La Habra County Water District. Staff advised that purchases of water from La Habra were made only when there is excess capacity in the La Habra system, which occurs during the cooler months and that this source was always intended as a winter supply.

Tab 1 - CONSENT CALENDAR

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

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

The approval of the Consent Calendar included:

- 1.1
Approval of the Minutes of Regular Board Meeting Held on July 8, 2014**
- 1.2
Approval of the Minutes of Special Board Meeting Held on July 22, 2014**
- 1.3
Demands on General Fund Account for July 2014**
- 1.4
Investment Report for July 2014**
- 1.5
Water Purchases for June 2014**

Next Special Board Meeting	August 19, 2014, 5:00 p.m.
Next Regular Board Meeting	September 9, 2014, 6:00 p.m.

Tab 2 - ACTION ITEMS

- 2.1
Approve Directors’ Meeting Reimbursements for July 2014**
Upon motion by Director Lima, seconded by Director Bellah, the Directors’ Meeting Reimbursement Report was approved as presented. The motion was unanimously carried.

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

2.2

Review and Approve Resolution No. 8-2014 Authorizing the Issuance of Not to Exceed \$21 Million Principal Amount of Water Revenue Refunding Bonds, Series 2014A, Authorizing and Directing Execution of an Indenture of Trust, Escrow Instructions, a Continuing Disclosure Agreement and a Bond Purchase Contract, Authorizing the Sale of Bonds, Approving an Official Statement and Providing Other Matters Properly Relating Thereto

Attorney Jeff Stava, Nossaman LLP, reviewed the Indenture of Trust, Escrow Instructions, Continuing Disclosure Agreement, Bond Purchase Agreement and Preliminary Official Statement which were included in the Board Packet. He advised that once these bonds are closed, they will take the place of the 2008 Bonds. The Resolution authorizes the issuance of not to exceed \$21,000,000 principal amount of Water Revenue Refunding Bonds, Series 2014A, and authorizes the execution of the necessary documents. Michael Busch, Urban Futures, provided background and summarized the obligations to be refinanced. He advised that by taking advantage of low interest rates currently available in the market, refinancing the 2008 COP would produce annual savings of approximately \$170,000. Over the life of the 2014 Bonds, the District will save over \$2.9 million of debt payments.

Upon motion by Director Lewis, seconded by Director Lima, the Board approved Resolution No. 8-2014. 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.

2.3

Review Implementation of Draft Resolution No. 9-2014 Declaring a Level 2 Water Supply Shortage and Instituting Level 2 Conservation Requirements; Schedule Public Hearing For September 9, 2014

Mr. Deck discussed the regulations recently approved by the State Water Resources Control Board which were issued pursuant to the Drought Declaration issued by Governor Brown. Mr. Deck explained that Metropolitan had sufficient supplies and was imposing no restrictions on water deliveries at this time, but that the State Board regulations required retail water purveyors to impose restrictions on outdoor potable water use anyway. President Lu-Yang asked whether the District was obligated to enforce the water restrictions the State Board imposed on individuals, and how that would be done. Discussion followed on how restrictions would be applied and enforced.

Following the discussion, a motion to schedule a Public Hearing on September 9, 2014 was made by Director Lima, seconded by Director Lewis and unanimously carried.

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

2.4

Approve/Decline Claim for Damages Submitted by Verizon in the Amount of \$7,271.96

After a brief discussion and a description of the claim filed against the District by Verizon, it was staff’s recommendation that the Board deny the claim. A motion was made by Director Lewis, seconded by Director Lima, to deny the claim for damages filed by Verizon. Staff was instructed to forward the appropriate Notice of Rejection of Claim to Verizon with a copy to the District insurance carrier, ACWA/JPIA. The motion was unanimously carried.

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

2.5

Approve/Decline Claim for Damages Submitted by Edison in the Amount of \$4,167.93

After a brief discussion and a description of the claim filed against the District by Edison, it was staff’s recommendation that the Board deny the claim. A motion was made by Director Lima, seconded by Director Lewis, to deny the claim for damages filed by Edison. Staff was instructed to forward the appropriate Notice of Rejection of Claim to Edison with a copy to the District insurance carrier, ACWA/JPIA. The motion was unanimously carried.

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

2.6

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

General Manager, Ken Deck, advised the Board that the Amendment was necessary in order to include the two percent (2%) cost of living increase approved by the Board for staff. After discussion, a motion was made by Director Lewis, seconded by Director Rios, to approve the First Amendment to Agreement for Employment of Assistant General Manager. The motion was unanimously carried.

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

2.7

Review and Approve 2014-2015 Salary Schedule

Mr. Deck explained that the Board had already adopted a 2% cost of living adjustment for all positions as a part of the budget approval, but that CalPERS requires its contracting agencies to certify their salary schedule at least once a year for purposes of enabling CalPERS to ensure that compensation is not “spiked” in the last year prior to retirement. After discussion, a motion was made by Director Lima, seconded by Director Lewis, to approve the 2014-15 Salary Schedule as presented. The motion was unanimously carried.

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

2.8

Review White Nelson Diehl Evans LLP Planning Communication Letter for the Audits of the Rowland Water District

This item was provided for information purposes only. Resident, Harry Peterson, asked why the proposal for audit services excluded audit of the Post-Employment Benefit Plan Funding Trust. Staff provided an explanation which answered Mr. Peterson's question.

2.9

Review and Approve the Acceptance of Invitations from the Republic of the Philippines to Make a Presentation on the Operations of the District at a Seminar to be held on October 15, 2014 in Manila, Philippines

Mr. Deck provided background and informed the Board that a contingent of water professionals from the Republic of the Philippines had visited the District to discuss its operational systems and to view the various processes which the District has implemented in order to optimize District operations. They were very impressed with the overall operational effectiveness of these systems and procedures and invited the District to visit the Philippines to make a presentation and participate in an exchange of ideas. Although Mr. Deck felt honored by the invitation, he does not feel it is appropriate use of District funds. Director Lewis noted that at this time, it does not appear to be the best use of District resources. No formal action was taken in connection with this matter. Director Lima requested that staff send a "thank you" letter for the invitation to the Republic of the Philippines.

2.10

Public Relations

Rose Perea advised that the Rowland Unified School District will be back in session on August 18, 2014. She reported that the SoCal Water Smart Rebate information on the website under the "Conservation" tab has been updated. This information includes water efficiency upgrades, commercial rebate program and turf removal. These MWD programs are administered through Three Valleys and are available to our customers. The District website homepage features a section entitled "Connect with the Community". This section enables the visitor to sign up to receive a District newsletter. The subscriber can cancel the subscription at any time. Through "Constant Contact", Brittne has also included all new customer sign-ups in addition to those requesting the newsletter. All Board members were sent the latest newsletter on August 4. At the present time, there are approximately 3,000 subscribers. The newsletter is generated quarterly.

- **Communications Update.** Erin La Combe Gilhuly, CV Strategies, reported that in addition to the items included in the update, they are focusing on the drought and the State Water Resources Control Board mandates. She distributed a draft of the drought flyer which will be mailed to District customers. CV Strategies will also generate a press release after the September 9, 2014 Public Hearing. Director Lima commended Ms. Gilhuly and Assistant General Manager, Tom Coleman, on their public relations mitigation in connection with a recent media incident.

- **Education Update**

Director Lima commented that he had reviewed the Education Update and that the July visits to the website had increased from the prior period.

2.11

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

- 2014 San Gabriel Valley Water Forum, October 2, 2014, Sheraton Fairplex Conference Center, 601 W. McKinley, Pomona, CA
No requests for attendance at this function.
- Annual Public Safety Appreciation Luncheon, October 30, 2014, Pacific Palms Conference Resort, 11:30 a.m.-2:00 p.m.
Staff was requested to make reservations for Directors Lewis, Bellah and Rios.

Tab 3 LEGISLATIVE INFORMATION

3.1

Updates on Legislative Issues

Assistant General Manager Tom Coleman reported that he and General Manager, Ken Deck, had participated at an event in Sacramento organized by Ms. Susan Reyes, staff member to Senator Ed Hernandez and the Mutual Water Association of California which focused on mutual water agencies and the legislative process. Their presentations were made to a group of legislator staffers and were very well received.

Tab 4 REVIEW OF CORRESPONDENCE

Nothing to report.

Tab 5 COMMITTEE REPORTS

5.1

Three Valleys Municipal Water District

President Lu-Yang advised that Three Valleys is still in summer recess and that the next board meeting will be held on September 3, 2014.

5.2

Puente Basin Water Agency

Director Lima reported on his attendance at the August 7, 2014 Board meeting and advised that project updates were provided in connection with La Habra Heights County Water District, Cal Domestic Water Company, Pomona Basin Regional Groundwater Project and Covina Irrigating Company.

5.3

Joint Powers Insurance Authority

Nothing to report.

5.4

Association of California Water Agencies

Director Lewis reported that discussions continue in connection with the Water Bond and that *The Sacramento Bee* had reported that there will be a Water Bond measure on the November ballot.

5.5

Project Ad-Hoc Committee

President Lu-Yang reported that the last meeting was held on August 11, 2014 and that the Committee discussed the status of various projects including the Covina Irrigating Company project, the Cal Domestic Pipeline and Pump Station and water received from La Habra Heights County Water District.

5.6

Regional Chamber of Commerce

Director Lewis advised that the last meeting of the Government Affairs Committee was held on August 11, 2014 and that a presentation was made on the economic profile of the San Gabriel Valley and the effect of the loss of over 30,000 manufacturing jobs. The Committee was also provided with a Bay Delta status update.

5.7

PWR Joint Water Line Commission

Nothing to report.

5.8

Sheriff's Community Advisory Council

Nothing to report.

5.9

Rowland Heights Community Coordinating Council

Director Rios reported on the meeting held on August 11, 2014. Reports were given by the Highway Patrol on three workshops which will be held for beginning drivers. The Los Angeles County Sheriff's Department reported on incidents occurring in the City and surrounding areas. Heidi Gallegos from the Rowland Unified School District reported that Alvarado Intermediate School in Rowland Heights had received recognition for academic excellence for the fifth time. Dr. John Roach is currently the Interim Superintendent of Schools for Rowland Unified School District.

Tab 6 OTHER REPORTS, INFORMATION ITEMS AND COMMENTS

6.1

Personnel Report

Nothing to report.

6.2

Engineer's Report

Mr. Carrera provided pictures on the progression of construction of the Whittier Booster Station and the pipeline construction which demonstrated the magnitude of the size of the 24" pipes being placed in the ground. Of the 24,000 feet of pipe to be laid, 10,000 feet has been placed in the ground to date. He also provided pictures of the ACE Nogales Grade Separation.

Tab 7 ATTORNEY'S REPORT (Ms. Morningstar)

Ms. Morningstar apologized to the Board for having missed last month's meeting. Mr. Deck advised that the Request for Proposals for Professional Legal Services to the Rowland Water District are due no later than 5:00 p.m. on August 21, 2014.

President Lu-Yang re-ordered the Agenda moving the Closed Session, Tab 8, to the end of the Agenda for the convenience of the public.

Directors’ and General Manager’s Comments

None.

Future Agenda Items

None.

Late Business

None.

Tab 8 CLOSED SESSION

a. Public Employee Performance Evaluation Pursuant to Government Code Section 54957

Annual Performance Review for General Manager. This matter may be discussed in open session.

President Lu-Yang adjourned the meeting to closed session at 7:15 p.m. Legal counsel, Janet Morningstar, announced that the closed session was being held pursuant to Government Code Section 54957.

Upon returning to open session, legal counsel reported that no reportable action was taken.

The closed session was adjourned and the Board resumed the meeting in open session at 7:30 p.m.

A motion was made by Director Lima, seconded by Director Rios, and unanimously carried to adjourn the meeting. The meeting was adjourned at 7:40 p.m.

SZU PEI LU-YANG
Board President

Attest: _____
KEN DECK
Board Secretary