



Minutes of the Regular Meeting  
of the Board of Directors of the Rowland Water District  
January 8, 2013 - 6:00 p.m.  
Location: District Office

---

---

**PLEDGE OF ALLEGIANCE**

**ROLL CALL OF DIRECTORS**

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

**ABSENT:**

Vice President John Bellah

**OTHERS PRESENT:**

Janet Morningstar, Legal Counsel  
Kirk Howie, Three Valleys Municipal Water District  
Alex Altman, 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**

Mr. Harry Peterson requested an explanation of the Sale and Issuance of the Bonds authorized by the Board at its October 30, 2012 Special Board Meeting and also an explanation of the Cadiz Project which was included at Tab 5.1 under the Three Valleys MWD December 19, 2012 Board Minutes. Mr. Deck explained that the bonds were obtained at a very favorable interest rate and would be used to finance the District's purchase of water rights and Board approved projects. Mr. Deck also described the Cadiz project to Mr. Peterson. Mr. Kirk Howie, from Three Valleys MWD, added that further review of documents in connection with the Cadiz Project is pending before an assessment can be completed for consideration of the Project.

## **Tab 1 - CONSENT CALENDAR**

Upon motion by Director Lima, seconded by Director Lewis, 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 December 11, 2012**

#### **1.2**

#### **Demands on General Fund Account for November and December 2012**

#### **1.3**

#### **Investment Report for December 2012**

#### **1.4**

#### **Water Purchases for November 2012**

#### **1.5**

#### **Communications/Education Outreach Update**

Next Special Board Meeting:	January 22, 2013, 5:00 p.m.
Next Regular Board Meeting:	February 12, 2013, 6:00 p.m.

## **Tab 2 - ACTION ITEMS**

#### **2.1**

#### **Approve Directors' Meeting Reimbursements for December 2012**

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

#### **2.2**

#### **Review and Approve Lease Agreement with Sprint Telephony PCS, L.P.**

Assistant General Manager, Ted Carrera, provided the Board with a Memorandum outlining the terms of the Lease and advised that the renewal of the Lease includes a five-year term, with two automatic five-year renewals. The renewal includes a three percent (3%) annual increase over the prior year's rent. The new terms include an increase in rental revenue to the District from \$12,065.15 per year to \$22,200.00 per year and provides for a commencement date of November 1, 2012.

After Board discussion and upon motion by Director Rios seconded by Director Lima, and unanimously carried, the Lease Agreement with Sprint Telephony PCS, L.P. was approved and General Manager, Ken Deck, was directed to execute the Agreement on behalf of the District.

#### **2.3**

#### **Review and Approve Amended Budget for Fiscal Year 2012-2013**

General Manager, Ken Deck, advised the Board that with the completion of the rate study, subsequent Proposition 218 public hearing and Board approval of the rate schedule, staff is providing an amended budget to include revised revenue projections and OPEB (Other Post-Employment Benefits) funding for the remainder of the 2012-2013 Budget year. Additionally,

the amended budget includes a three-year renewal of Microsoft Licensing at a cost \$54,866 and the updating of the District's website to make it compatible for use with mobile devices. Finance Officer, Sean Henry, reviewed the adjustments and noted that the effect was a net increase in income over expenses placing the District in a more favorable position with less funds being drawn from reserves. Mr. Henry addressed questions raised by members of the Board and explained the adjustments in detail.

A motion was made by Director Lewis, seconded by Director Lima, to approve the Amended Budget for Fiscal Year 2012-2013 as presented. The motion was unanimously carried.

## **2.4**

### **Approve Customer Service Lobby Remodel as a Design/Build Project**

Mr. Deck advised the Board that staff met with the Contractor and Architect in connection with the remodel of the Customer Service Lobby area to discuss the potential advantages of a design/build project and forego the formal bid process. Mr. Deck explained that the District is not required to let the contract by bid process, and by having the contractor involved up front with the Architect, a lot of the unknowns are eliminated, which ultimately equates to cost saving to the District. Therefore, it is staff's recommendation that the Board approve foregoing the formal bid process and that it authorize staff to move forward with the design/build of the Customer Service Lobby. Upon motion by Director Lima, seconded by Director Rios and unanimously carried, the Board approved the Customer Service Lobby Remodel as a Design/Build Project.

## **2.5**

### **Approve the Surplus of Hewlett Packard Server Model ProLiant DL360 G5 Base, Serial Number USM7090362**

Staff discussed the surplus and disposal of the Hewlett Packard Server and upon motion by Director Lewis, seconded by Director Lima and unanimously carried, the Board approved the surplus and disposal of the aforementioned Server.

## **2.6**

### **Approve the Surplus of 1985 Zieman Trailer, License No. 320924, Vehicle I.D. No. 12CE29E24FZP11970**

Staff discussed the surplus and disposal of the Zieman Trailer and upon motion by Director Lewis, seconded by Director Rios and unanimously carried, the Board approved the surplus and sale of the Zieman Trailer.

## **2.7**

### **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. Staff advised that reservations for attendance at this Conference for Directors Lima and Bellah have been made. Staff was instructed to also register Directors Lewis and Rios for their attendance at the Conference.
  
- ACWA 2013 Legislative Symposium, March 5, 2013, Sacramento, CA  
Director attendance and registration at this Symposium will be discussed at the February 12, 2013 Board meeting.

### **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 Three Valleys MWD Board meeting held on December 19, 2012. Director Lima noted that Metropolitan Water District has discontinued the water replenishment program and that MWD is negotiating with Mexico to store water in Lake Mead. He also reported that public agencies are considering protesting the Clean Water, Clean Beaches measure. Resident, Teri Malkin, advised that there is a public misconception that this Fee is being proposed by water agencies and that perhaps it would be beneficial if the District would provide information to the public with respect to the fee.

#### **5.2**

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

Nothing to report.

#### **5.3**

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

Nothing to report.

#### **5.4**

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

Nothing to report.

#### **5.5**

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

President Lu-Yang reported that the next HR Forum and Breakfast will be held on January 10, 2013 and that the State of the Chamber meeting will be held on January 17, 2013. The next Board meeting is scheduled for February 21, 2013 at the Marriot Courtyard. Mr. Lewis reported that the Chamber Government Affairs Committee did not meet in December and that the next meeting will be held on January 13, 2013.

#### **5.6**

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

Nothing to report.

## **5.7**

### **Puente Basin Water Agency**

Mr. Lima reported that the next meeting will be held on January 10, 2013, at Walnut Valley Water District. Mr. Lewis reported that the Agency had joined the ACWA/JPIA and that the La Habra Pipeline project is moving forward.

## **5.8**

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

Nothing to report.

## **5.9**

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

Resident, Teri Malkin, advised the Board that the Council had discussed ACE and the Nogales and Fullerton Road grade separations.

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

## **6.1**

### **Public Relations**

Alex Altman, CV Strategies, presented the Communications update for the month and advised that they are completing the draft of the District Strategic Plan for presentation to the Board at the January 22, 2013 Special Board Meeting.

Mrs. Perea referred to the Press Release included in the Board Packet in connection with the Student Art Luncheon held at the Metropolitan Headquarters. Two students from Nogales High School were honored for their entries in the 2013 "Water Is Life" Calendar. She advised that she and Brittne Van De Car had met with Gina Ward the Public Information Officer for the Rowland Unified School District and had provided the Press Release which was included on the Rowland Unified website. They reviewed the District's school outreach programs with her. She will be arranging meetings with the principals and teachers at various schools which she feels will be the most receptive to the District's programs. Hopefully, this will result in greater participation by the schools in the programs offered.

## **6.2**

### **Personnel Report**

Nothing to report.

## **6.3**

### **Engineer's Report**

Mr. Carrera reported that in preparation of the Alameda Corridor (ACE) grade separation, the District has commenced the relocation of its potable and recycled waterlines at the intersection of Nogales and San Jose. Mr. Deck reported that staff was meeting with the City of La Habra Heights on the Old Fullerton Rd. pipeline project and that he expected the contractor to start work by mid February.

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

Nothing to report.

**Tab 8 CLOSED SESSION**

President Lu-Yang adjourned the meeting to closed session at 6:52 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 no reportable action under the Brown Act was taken.

With respect to item d., the Board authorized District Negotiator, Ken Deck, to continue with the negotiations.

Items b. and c. were not discussed.

The closed session was adjourned and the Board resumed the meeting in open session at 6:57 p.m.

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

None.

**Future Agenda Items**

None.

**Late Business**

None.

Next Special Meeting of the Board of Directors: January 22, 2013, 5:00 p.m.  
Next Regular Meeting of the Board of Directors: February 12, 2013, 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 at 7:02 p.m.

\_\_\_\_\_  
SZU PEI LU-YANG  
Board President

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