



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

December 13, 2011 - 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
David Malkin, Rowland Heights Resident
Teri Malkin, Rowland Heights Resident
Alan Heslop, Ph.D., National Demographics
David Meyer, National Demographics

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

COMMENTS:

Mr. and Mrs. Malkin thanked the District for their proactive efforts and accomplishments in 2011.

Tab 1 - CONSENT CALENDAR

Upon motion by Vice President Lu-Yang, seconded by Director Rios, 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 8, 2011

1.2

Approval of the Minutes of Special Board Meeting Held on November 22, 2011

1.3

Demands on General Fund Account for November, 2011

1.4

Investment Report for November, 2011

1.5

Calendar of Events for December 2011 and January 2012

Special Board Meeting: Strategic Planning to be held on December 27, 2011

Regular Board Meeting to be held on January 10, 2012

Tab 2 - ACTION ITEMS

2.1

Approve Directors' Meeting Reimbursements for November 2011

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

Administer Oaths of Office to Anthony J. Lima, Division 2, and Teresa P. Rios, Division 1

Ms. Morningstar administered the Oaths of Office to Director Lima and Director Rios.

2.3

Presentation from National Demographics Corp. on Results from their Review of 2010 Census Data for Existing Rowland Water Director Divisions

Messrs. Alan Heslop and David Meyer presented their "Stage I Project Elements", criteria summary on the population balancing of the District divisions and advised that the current divisions have a maximum deviation in population between the largest division and the smallest of 9.2%. The goal is to have the divisions as equal in population as possible. The Water Code requires the District to adjust the boundaries to rebalance the populations of the divisions after each decennial census. After a lengthy discussion between the presenters and members of the Board, it was the consensus of the Board that they needed more information in order to make an informed decision as to whether the District boundaries should be adjusted. Upon motion by Vice President Lu-Yang, seconded by Director Lewis, the Board unanimously approved the

preparation of the "Stage II" analysis by National Demographics, showing options for adjusting division boundaries to equalize population between divisions, to be presented at the January 10, 2012 Board meeting.

2.4

Approve Final Financial Audit Report for Fiscal Year 2010-2011 Prepared by Diehl, Evans and Company, LLP

Mr. Henry reported that there were no changes made to the "Draft" Report presented at the November 8, 2011 Board meeting. Upon motion by Vice President Lu-Yang, seconded by Director Rios, the Financial Audit Report for Fiscal Year 2010-2011 prepared by White Nelson Diehl Evans LLP (name change) was unanimously approved as presented.

2.5

Receive and File PWR Joint Water Line Commission Audit Report for Fiscal Year 2010-2011 Prepared by Diehl, Evans & Company, LLP

A motion was made by Director Lewis, seconded by Vice President Lu-Yang, to receive and file the PWR Joint Water Line Commission Audit Report for Fiscal Year 2010-2011. The motion was unanimously carried.

2.6

Review and Approve Conveyance of Interest in Real Property by Easement Deed from New Age Kaleidoscope, LLC., a California Limited Liability Corporation (Grantor) to Rowland Water District, (Grantee), 17520 Castleton Street, City of Industry, California

General Manager, Ken Deck, described the location of the property and discussed the need for the easement in order to authorize the District to install underground water facilities to serve the property. Mr. Deck, requested authorization to execute the Certificate of Acceptance of the Easement Deed on behalf of the District and to process it for recording with the Office of the Los Angeles County Recorder. Upon motion by Director Lewis, seconded by Director Rios, the acceptance of the conveyance of interest in real property located at 17520 Castleton, City of Industry, California from New Age Kaleidoscope, LLC to Rowland Water District was approved. The motion was unanimously carried.

2.7

Review and Approve License Agreement Between Rowland Water District and Los Angeles County for Ingress and Egress over Reservoir 14 Access Road

General Manager, Ken Deck, discussed the terms of the License Agreement and the location of the property over which the access was being granted under this agreement. Upon motion by Vice President Lu-Yang, seconded by Director Lewis, the License Agreement between Rowland Water District and Los Angeles County for ingress and egress over the Reservoir 14 access road was unanimously approved as presented.

2.8

Approve Executive Officer Positions of the Board of Directors for 2012

Mr. Deck recapped the discussion that took place during the November 22, 2011 Board workshop concerning the current Board policy and the process by which Directors are appointed to the Executive Officer positions of the Board. He also discussed how that policy might be modified to ensure that the Board operates at a high level of efficiency in carrying out their

mission. Additionally, there was discussion on maintaining the current Executive Officers (Mr. Lima Board President and Ms. Lu-Yang Vice President) for the 2012 calendar year. Upon motion by Director Rios, seconded by Director Bellah, the Board approved Director Lima's election as President and Director Lu-Yang's election as Vice President for the calendar year 2012, by the following 4-0 vote:

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

2.9

Review and Approve Board of Directors' Committee Assignments for 2012

Board members discussed the current Committee assignments as well as a potential Board policy that would provide an opportunity for Directors not assigned to specific Committees to attend those committees in order to gain knowledge on the various committees and their purpose. Director Bellah, recommended that the Rowland Heights Coordinating Council (RHCC) be added to the Committee list. A motion was made by Director Bellah, seconded by Director Lewis, to maintain the current Committee assignments, add the RCCH and to develop a Board policy on the attendance of non-committee members to the PWR Joint Waterline Commission, Three Valleys Municipal Water District, and the Puente Basin Water Agency meetings. The Motion was unanimously approved. President Lima appointed Director Bellah as the primary committee representative and Director Rios as alternate representative to attend the RHCC meetings.

2.10

Approve Change in IRS Standard Mileage Rate from 51 Cents a Mile to 55.5 Cents a Mile to be Effective January 1, 2012

Upon motion by Vice President Lu-Yang, seconded by Director Lewis, the IRS Standard Mileage Rate of 55.5 cents effective January 1, 2012 was approved with a 4-1 vote as follows:

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

2.11

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

None.

Tab 3 - GENERAL MANAGER'S REPORT

3.1

Water Purchase Report

Nothing to report.

Tab 4 - LEGISLATIVE INFORMATION

4.1

Legislative Updates

The Board commented on the 2011 Annual Report provided by Reeb Government Relations, LLC, and indicated that it was very thorough and that they look forward to more reports in the future.

Tab 5 - REVIEW OF CORRESPONDENCE

None.

Tab 6 – COMMITTEE REPORTS

6.1

Three Valleys Municipal Water District

President Lima reported that Three Valleys will be eliminating the "committee" meetings format and will be changing to a "workshop" and "board meeting" arrangement. The first Wednesday of each month they will hold a Board workshop and on the third Wednesday of each month they will hold their regular Board meetings. This change will allow all Board members to be present at each of the meetings. Three Valleys is also gathering information in connection with the possibility of redistricting.

6.2

Joint Powers Insurance Authority

General Manager, Ken Deck, reported that the District had once again received the ACWA/JPIA President's Special Recognition Award for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums" in the Liability Program, the Property Program and the Workers' Compensation Program.

6.3

Regional Chamber of Commerce

Vice President Lu-Yang reported that the Chamber Holiday luncheon was a huge success. The speaker from Majestic Realty spoke on the imminence of the NFL stadium. She also indicated that Three Valleys had voiced an interest in serving on the Chamber Board and that she felt that it would be in Rowland's best interest to also consider a position on the Board.

6.4

PWR Joint Water Line Commission

President Lima reported that the next meeting will be held in February.

6.5

Puente Basin Water Agency

Director Lewis reported that the IMC Project is moving forward.

6.6

Association of California Water Agencies

Director Bellah gave a report on sessions he attended at the ACWA Fall Conference in Anaheim in addition to submitting a written summary of the meetings he attended at the Conference. (Copies of Director Bellah's written summary are available on request).

6.7

Sheriff Community Advisory Committee

Nothing to report.

6.8

Project Ad-Hoc Committee

President Lima reported that the Committee discussed District projects and their progress. Vice President Lu-Yang indicated that an updated project list will be presented to the Board at the December 27, 2011 workshop.

6.9

Finance Ad-Hoc Committee

General Manager, Ken Deck, recommended that this committee be eliminated as a separate committee and that it become a part of future Board workshops.

Tab 7 - ATTORNEY'S REPORT (Ms. Morningstar)

Legal counsel, Janet Morningstar, reported on her attendance at the Legal Affairs session at the ACWA Fall Conference in Anaheim. In particular, she indicated that seminars will be held to educate members on Proposition 26 which covers local agency revenue sources which are not already covered by Propositions 13 and 218.

7.1

CLOSED SESSION

Legal Counsel, Janet Morningstar, adjourned the meeting to closed session at 7:48 p.m. pursuant to Government Code Sections 54956.9(a), in order to provide information regarding the lawsuit against Rowland Water District and pursuant to Government Code Section 54956.8 in order to confer with the real property negotiator.

■ Conference with Legal Counsel – Existing Litigation (Subdivision (a) of § 54956.9)

Name of case: In re: IH 1, Inc. f/k/a Indalex Holdings Finance, Inc. etc., Debtors; George Miller, etc., Plaintiff vs. Rowland Water District, Defendant. Chapter 7 Case No: 09-10982 (PJW); Aversary No.: 11-51451 (PJW)

Legal counsel was authorized to negotiate a settlement on behalf of the District.

7.2

CLOSED SESSION

■ Conference with Real Property Negotiator - Government Code § 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's Negotiator: Ken Deck, General Manager

Under Negotiation: Price and Terms of Sale

The Board authorized the real property negotiator to act on behalf of the District with respect to the purchase of property located at 1015 Nogales Street, Rowland Heights, California.

The closed session was adjourned and the Board resumed the meeting in open session at 7:55 p.m.

Open session reconvened at 7:55p.m.

Tab 8 - OTHER REPORTS, INFORMATION ITEMS AND COMMENTS

8.1

Public Relations (Ms. Perea)

Mrs. Perea reported that she attended the Metropolitan Water District luncheon and awards presentation on behalf of the District's two calendar/poster winners from Nogales High School.

8.2

Personnel Report (Mr. Deck)

Nothing to report.

8.3

Engineer's Report

Nothing to report.

8.4

Directors' and General Manager's Comments

General Manager, Ken Deck, offered an open invitation to members of the Board to attend the District potluck luncheon which will be held at 12:00 noon on Wednesday, December 21, 2011. He also advised the Board that the tentative date for the Employee Recognition Dinner is February 24, 2012.

8.5

Future Agenda Items

- Schedule Board Tour of District Facilities
- Review Resolution No. 3-2008 Establishing Policy for Rotation of Board Officers
- Review Board Policy on Committee Assignments
- Sponsorship of the Youth Science Center at Wedgeworth Elementary
- Regional Chamber of Commerce Board Representation
- Presentation on Paymentus On-Line Payment Program
- Presentation by National Demographics Corporation on Results from their Review of 2010 Census Data for Existing Rowland Water Director Divisions

8.6

Late Business

None.

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 8:05 p.m.

ANTHONY J. LIMA
Board President

Attest: _____
KEN DECK
Board Secretary