



Minutes of the Special Meeting  
of the Board of Directors of Rowland Water District  
October 4, 2011 - 6:00 p.m.  
Location: District Office

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**PLEDGE OF ALLEGIANCE**

**ROLL CALL OF DIRECTORS**

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

**ABSENT:**

Director Teresa P. Rios

**OTHERS PRESENT:**

Janet Morningstar, Legal Counsel  
Dan Horan, Three Valleys Municipal Water District  
Joe Ruzicka, Three Valleys Municipal Water District  
Kirk Howie, Three Valleys Municipal Water District  
David Malkin, Rowland Heights Resident  
Teri Malkin, Rowland Heights Resident  
Michael Gualtieri, General Manager, La Habra Heights County Water District  
Judy Hathaway-Francis, La Habra Heights Resident  
George Edwardz, The Avocado Express, La Habra Heights  
Stephen Blagden, La Habra Heights Resident  
Judy Ennis, La Habra Heights Resident  
Louise Gordon Smith, La Habra Heights Resident  
Rose Ann Hall, La Habra Heights Resident  
Sandy Dykier, La Habra Heights Resident  
Tris L. Caywood, La Habra Heights Resident  
Rich McClish, La Habra Heights Resident  
Jacquie McClish, La Habra Heights Resident  
Ruth Wolfarth, La Habra Heights Resident  
Michael Armijo, Weekly News, West Covina Resident  
Mike Mendez, West Covina Resident  
Claudelle West, La Habra Heights Resident

**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**

President Lima re-ordered the Agenda by moving Tab 2.7 above Tab 2.1 under Action Items to accommodate the La Habra Heights residents who were present at the meeting to obtain additional information on Agenda item 2.7.

**PUBLIC COMMENT ON AGENDA ITEMS**

Mr. George Edwardz, Avocado Express, La Habra Heights resident, inquired as to District's ownership interest in the Central Basin. General Manager, Ken Deck, responded that the District's water rights in the Central Basin were one (1) acre foot.

**Tab 1 - CONSENT CALENDAR**

Legal Counsel, Janet Morningstar, recommended that the "Public Comment on Agenda Items" paragraph of the draft September 13, 2011 Minutes be modified to reflect that the La Habra Heights County Water District Board voted unanimously to approve *Rowland Water District's preferred provisions regarding indemnity and damages in the draft of the Water Production and Delivery Agreement*. Director Lewis made a motion to approve the consent calendar with the revision to the minutes for the meeting of September 13, 2011 as recommended, seconded by Vice President Lu-Yang, the Consent Calendar was approved as modified. The motion was unanimously carried.

The approval of the Consent Calendar included:

**1.1**

Approval of the Minutes of Regular Board Meeting Held on September 13, 2011 as modified

**1.2**

Demands on General Fund Account for September 2011

**1.3**

Investment Report for September 2011

**1.4**

Calendar of events for October and November, 2011

## **Tab 2 - ACTION ITEMS**

### **2.7**

**Update on Proposed Water Production and Delivery Agreement between La Habra Heights County Water District and Rowland Water District** (This item was taken out of order on the President's initiative, in order to allow members of the public who wished to speak on this issue, to be heard before the rest of the agenda).

Staff advised the Board that the Agreement is in the hands of the attorneys for review and had not been finalized for consideration by the Board. President Lima opened the meeting for public comments on this item. La Habra Heights resident, Judy Hathaway-Francis, referred to several statutory and case law authorities pertaining to wheeling of water, and asked whether the proposed agreement was in compliance. Staff explained that since the proposed agreement with La Habra Heights County Water District was consensual those statutes do not apply. Another La Habra Heights resident, Stephen Blagden, stated that several things he had been told about the proposed agreement were incorrect, including that the Aera project was "dead". When he contacted Aera afterward they said they had not abandoned the project. General Manager Deck responded to each of the comments. George Edwardz, representing the Avocado Express, commented that the districts had been discussing the proposed agreement for a year but had not provided a draft of the agreement for him to review. District counsel Morningstar explained that as a draft which was not ready to be presented to the Board for consideration, the document was not subject to disclosure under the Public Records Act. Mike Gualtieri, General Manager of LHHCWD, and Ken Deck, RWD General Manager, offered to provide a copy of the draft to anyone who submitted a request. Another La Habra Heights resident spoke in favor of the proposed agreement stating that it would save both districts money. Staff addressed each of the issues/questions as they were presented.

### **2.1**

#### **Approve Directors' Meeting Reimbursements for September 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**

#### **Review and Approve Resolution No. 10-2011 Requesting Appointment in Lieu of Election for the Office of Member, Board of Directors, Division 2**

Legal Counsel, Janet Morningstar, advised the Board that although the District is not required under California Elections Code Section 10515 to submit a Resolution, the Registrar-Recorder has requested that the District make a formal request of the Board of Supervisors, that the Board of Supervisors make an appointment in lieu of election for the office of Director for Division 2. The Registrar-Recorder has informed the District that Director Lima was the only candidate to file a declaration of candidacy for the office of Director for Division 2, for a full term ending December 4, 2015.

A motion was made by Vice President Lu-Yang, seconded by Director Lewis, to approve Resolution No. 10-2011 Requesting Appointment in Lieu of Election for the Office of Member, Board of Directors, Division 2.

Roll call vote.

Ayes: Directors Lima, Bellah, Lewis, and Lu-Yang

Noes: None

Absent: Director Rios

Abstain: None

Motion was passed by a vote of 4-0.

### **2.3**

#### **Administer Oath of Office to Director Anthony J. Lima, Division 2**

This item was moved to the December Agenda, pending appointment by the Board of Supervisors after November 8, 2011.

### **2.4**

#### **Communication Assessment Presented by CV Strategies**

Erin Gilhuly and Cara VanDijk of CV Strategies updated the Board on the status of the "Communication Plan" and suggested several examples of ways they would move the communication from the District to the customer by identifying key issues that are important to our customer base. Rowland Heights resident, Teri Malkin, had several suggestions on public outreach to District customers which would provide more information/education to the customer base. Director Bellah inquired as to the type of outreach CV Strategies would recommend with respect to the District's participation in Buckboard Days Parade in the future. More particularly, how it would benefit the District and the type of message it would like to convey to its residents.

### **2.5**

#### **Review and Approve Interest in Real Property Conveyed by the Easement Deed from TAK Shing Hong, Inc., a California Corporation (Grantor) to Rowland Water District, (Grantee)**

General Manager Deck advised the Board that this item was not ready for Board action at this time. The item was moved to a future agenda pending receipt of additional information. In response to a question from Director Bellah, General Manager Deck explained that the easement was needed to provide individual services to tenants of the former Levitz Furniture Building which had been subdivided into separate businesses.

### **2.6**

#### **Approve Funding of the Pomona Basin Regional Groundwater Project Feasibility Study (Phase 2) in the amount of \$137,500**

Director Lewis reported that as a result of the completed Phase 1 study, RMC Inc. summarized the objective of this Project "to leverage existing water rights and Six Basins facilities owned by the Cities of La Verne and Pomona to increase local groundwater supply and offset treated imported supply for the Rowland Water District and the Walnut Valley Water District, while also providing . . . regional benefits." General Manager, Ken Deck, noted that the project budget for the Feasibility Study (Phase 2) was \$250,000, plus a \$25,000 contingency, for a total of \$275,000 and that at this time Rowland Water District's one-half share amounts to \$137,500. He also noted that Three Valleys Municipal Water District has indicated that they are seeking Board approval to pay one-half of the \$250,000. If the TVMWD Board approves their financial

participation in the amount of \$125,000 then this would reduce RWD's and WVWD's financial obligation to \$75,000, each.

Upon motion by Vice President Lu-Yang, seconded by Director Bellah, funding of the Pomona Basin Regional Groundwater Project Feasibility Study (Phase 2) in the maximum amount of \$137,500, was unanimously approved.

## **2.8**

### **Discussion of Upcoming Conferences, Workshops, or Events (Including Items That May Have Arisen After the Posting of the Agenda)**

- Participation in Rowland Heights Annual Buckboard Days Parade and Pancake Breakfast to be held October 22, 2011

Members of the Board were asked to contact staff with the number of people that will be attending the Parade as well as those who will be attending the Pancake Breakfast.

- Approve Vice President Lu-Yang's Attendance to the CAUSE Political Institute Event to be held October 22, 2011

Upon motion by Director Lewis, seconded by Director Bellah, Vice President Lu-Yang's attendance at the CAUSE Political Institute event was unanimously approved.

- Board of Supervisors Public Safety Appreciation Luncheon to be held November 10, 2011 (Industry, CA)

Staff was asked to make reservations for Directors Lewis, Bellah and Lu-Yang to attend the luncheon.

- ACWA Fall Conference to be held November 20, 2011-December 2, 2011 (Anaheim, CA)

Director Lewis indicated that he will be attending.

## **Tab 3 - GENERAL MANAGER'S REPORT**

### **3.1**

#### **Water Purchase Report**

Nothing to report.

## **Tab 4 - LEGISLATIVE INFORMATION**

Nothing to report.

## **Tab 5 - REVIEW OF CORRESPONDENCE**

President Lima noted that it was a pleasure receiving letters from customers thanking the District for the water conservation resources it provides to teachers on the website and also for supporting the Glen A. Wilson High School Freshman orientation program.

## **TAB 6 – COMMITTEE REPORTS**

### **6.1**

#### **Three Valleys Municipal Water District**

- Minutes of the Regular Board Meeting held on September 21, 2011

President Lima advised that Three Valleys' Director DeJesus reported on changes to the age requirements for employees to receive medical benefits at retirement. He also informed the Board that there were two Three Valleys' meetings scheduled for Wednesday, October 5: Project Planning and Development, 8:30 a.m. and Finance Committee at 9:30 a.m. Three Valleys' Assistant General Manager, Kirk Howie, reminded the Board that the Three Valleys' Leadership Breakfast will be held on Thursday, October 6, at 7:30 a.m. at the Avalon Room located at the Pomona Fairplex.

### **6.2**

#### **Puente Basin Water Agency**

- Agenda of the Regular Board Meeting held on September 28, 2011

President Lima reported that the Main San Gabriel Basin Judgment Amendments could go before the Judge in December. The Water Storage Agreement for Rowland and Walnut with Main San Gabriel Basin Watermaster is in committee review.

### **6.3**

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

Vice President Lu-Yang reported that Stephen Lee has been appointed as Interim CEO of the Regional Chamber of Commerce. Mr. Lee was appointed in September and is under a six-month contract for compensation with a review of the position to be completed after three months. She also reported that the Board of Supervisors had approved the amended A3 Plan adopting Supervisor Don Knabe's plan. She indicated that all of the Rowland Water District is in Division 4, Supervisor Knabe's Division, and that all re-districting has been completed. The Chamber's next meeting is scheduled for October 10, 2011.

### **6.4**

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

The next meeting is scheduled for October 20, 2011, at 3:30 p.m.

### **6.5**

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

Nothing to report.

### **6.6**

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

Nothing to report.

## 6.7

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

Vice President Lu-Yang advised that the last meeting was held at the same time and date as the District Board meeting, therefore, she was unable to attend. Rowland Heights resident, Teri Malkin, attended the meeting and she reported that the Council conducted a tour of the Telecommunications Station. The Council reported that there is an increase in crime in the area and that there is a shortage of deputies. Sheriff Joe LoMonaco is retiring.

## 6.8

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

Nothing to report.

## 6.9

### **Finance Ad-Hoc Committee**

Nothing to report. Staff advised that the consultants have received the data for the Water Rate Study and that once the draft is available, a meeting will be scheduled with the Committee to begin review and comment.

### **TAB 7 - ATTORNEY'S REPORT (MS. MORNINGSTAR)**

Legal counsel, Janet Morningstar, indicated that no closed session was needed because the Trustee had not presented a settlement offer at this time. She also reported that Attorney Jim Ciampa had forwarded to her an Appellate Court decision which addressed storage rights with respect to the West Basin, and held that the court retained jurisdiction to modify the judgment adjudicating rights in the Basin to provide for the pumpers to utilize dewatered space in the Basin to store water. She indicated that this issue was also being contested in the Central Basin litigation and that this decision should affect the pending appeal in the Central Basin lawsuit which will affect the District's rights.

### **CLOSED SESSION**

- 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)

Nothing to report, therefore, a closed session was not necessary.

### **Tab 8 – OTHER REPORTS, INFORMATION ITEMS, AND COMMENTS**

None.

## 8.1

### **Public Relations**

Mrs. Perea reported that the District's name had not been drawn in the 2011 Solar Cup lottery. She also reported that a Teachers' workshop will be held on Thursday, October 6, 2011, and that one teacher from Nogales High School will be attending.

## 8.2

### **Personnel Report**

Nothing to report.

## 8.3

### **Engineer's Report**

Assistant General Manager, Ted Carrera, reported that the extension of the recycled system on San Jose will add an additional 16 customers to the present 91 customers already on recycled water for a total of 107 customers.

## 8.4

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

- Director Bellah reported that Senator Huff's legislative update breakfast will be held on October 7, 2011 and that he will be attending.
- Vice President Lu-Yang indicated that she will be attending Mimi Huff's business open house.
- Director Lewis asked about succession planning, which General Manager Deck indicated would be addressed at the strategic planning workshop.
- Rowland resident, Teri Malkin, thanked Director Bellah for his participation in the redistricting meeting.

## 8.5

### **Future Agenda Items**

- Administer Oath of Office to Director Anthony J. Lima, Division 2, December Agenda.
- Review and Approve interest in Real Estate Conveyed by Easement Deed, to be included on a future Agenda pending receipt of additional information.

## 8.6

### **Late Business**

None.

A motion was made by Director Bellah, seconded by Vice President Lu-Yang, and unanimously carried to adjourn the meeting. The meeting was adjourned at 7:48 p.m.

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ANTHONY J. LIMA  
Board President

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