



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

May 17, 2011 – 6:00 P.M.
Location of Meeting: 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

OTHERS PRESENT:

Dan Horan, Three Valleys Municipal Water District
Janet Morningstar, Legal Counsel
Joe Ruzicka, Three Valleys Municipal Water District
Teresa P. Rios, Resident

ROWLAND WATER DISTRICT STAFF PRESENT:

Ken Deck, General Manager
Ted Carrera, Assistant General Manager
Sean Henry, Finance Officer
Rose Perea, Resource Analyst

ADOPTION OF AGENDA

Upon motion by Director Lewis, seconded by Vice President Lu-Yang, and approved by unanimous vote, the Agenda was adopted as reordered. .

PUBLIC COMMENT ON AGENDA ITEMS

There were no public comments.

CONSENT CALENDAR

Upon motion by Vice President Lu-Yang, seconded by Director Lewis, the Consent Calendar was approved as presented. The motion was unanimously carried.

The approval of the Consent Calendar included:

Tab 1: Approval of the Minutes of the Regular Meeting held on April 12, 2011;

Tab 2: Approval of Demands on General Fund Account for April 2011;

Tab 3: Approval of the Investment Report for April 2011; and

Approval of the Regular Board Meeting scheduled for June 14, 2011.

ACTION ITEMS

Tab 4

REVIEW AND APPROVE DIRECTORS' MEETING REIMBURSEMENTS FOR APRIL 2011

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

REVIEW AND APPROVE AD HOC COMMITTEE RECOMMENDATION FOR APPOINTMENT OF DIRECTOR TO FILL DIVISION 1 VACANCY

President Lima reported that the Ad-Hoc Committee's recommendation is to appoint Teresa P. Rios to fill the vacancy in Division I for the balance of the term which ends November 8, 2011.

A motion was made by Vice President Lu-Yang, seconded by Director Bellah, and unanimously carried, to appoint Teresa P. Rios as Director of Division 1.

Tab 8

ADOPT RESOLUTION 5-2011 OF THE BOARD OF DIRECTORS APPOINTING TERESA P. RIOS TO FILL VACANCY IN THE OFFICE OF DIRECTOR DIVISION 1

Vice President Lu-Yang made the motion and Director Lewis seconded to approve Resolution No. 5-2011. The motion was unanimously carried by the following roll call vote:

Ayes:	President Lima, Vice President Lu-Yang, Director Lewis, and Director Bellah
Noes:	None
Absent:	None
Abstain:	None

ADMINISTER OATH OF OFFICE

Ms. Morningstar administered the Oath of Office to Ms. Rios. Director Rios then took a seat as Director for Division 1 of the Rowland Water District.

Tab 5

RWD QUARTERLY INVESTMENT REPORT FOR THE PERIOD ENDING MARCH 31, 2011

Mr. Henry provided the Board with a verbal report of the District’s investments, including the LAIF quarterly balances, CD Placement Maturity Schedules, and Bond Maturity Chart. Open discussion followed and Mr. Henry answered questions posed by members of the Board. Staff was directed to receive and file the investment report ending March 31, 2011.

Tab 6

RWD STATEMENT OF OPERATIONS FOR THE 9-MONTH PERIOD ENDING MARCH 31, 2011

Mr. Henry reviewed the Statement of Operations in detail with the Board, pointing out the areas of significance, which included net income, water revenue, pumping costs, maintenance and operation. Mr. Henry summarized by stating that the Statement of Operations figures are where they should be at this point of the fiscal year. Mr. Deck and Mr. Henry answered questions raised by the Board. Staff was directed to receive and file the Statement of Operations for the period ending March 31, 2011.

Tab 7

REVIEW AND APPROVE RULES AND REGULATIONS FOR POTABLE AND RECYCLED WATER SERVICE

Mr. Deck reviewed the changes made to the District Rules and Regulations, which incorporated the recent rate changes and other policy changes previously adopted by the Board of Directors. Mr. Deck answered questions raised by members of the Board. A motion was made by Vice President Lu-Yang, seconded by Director Lewis, to approve the District Rules and Regulations for Potable and Recycled Water Service as revised.

Roll call vote:

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

The motion was passed by a vote of 4-1.

Tab 9

REVIEW AND APPROVE DRAFT OF ORDINANCE NO. 0-6-2011 INSTITUTING A CROSS-CONNECTION CONTROL AND BACKFLOW PREVENTION PROGRAM TO PROTECT THE PUBLIC WATER SYSTEM

A motion was made by Director Lewis, seconded by Vice President Lu-Yang, to approve the draft and to move forward with the adoption of the Ordinance at the next regularly scheduled meeting. The motion was unanimously carried.

CONSIDERATION OF CLAIM SUBMITTED BY GETTY IMAGES

Legal counsel, Janet Morningstar, advised that she had responded to Getty Images with a request that they provide proof of ownership for the images in question and that, to date, they have failed to do so. Legal counsel recommended that the claim be denied, with a letter advising the claimant that the Board would reconsider the claim upon submission of proof of Getty Images' rights to the photographs.

Upon recommendation of legal counsel and the failure of Getty Images to provide proof of ownership, Director Lewis made a motion, seconded by Vice President Lu-Yang, that the claim submitted by Getty Images be denied. The motion was unanimously carried.

AUTHORIZATION TO PURCHASE DISCOUNTED REPLENISHMENT WATER SHOULD THE METROPOLITAN WATER DISTRICT MAKE IT AVAILABLE

This item was for information purposes only. No action was taken.

DECLARE SIX DESKTOP COMPUTERS AS OBSOLETE SURPLUS

Mr. Deck explained the recommendation to surplus six desktop computers. Upon motion made by Director Lewis, seconded by Vice President Lu-Yang, the motion was unanimously carried to surplus six obsolete desktop computers.

APPOINT REPRESENTATIVE TO THE SHERIFF'S COMMUNITY ADVISORY COMMITTEE

Upon motion made by Director Lewis, seconded by Vice President Lu-Yang, and unanimously carried, Director Rios was appointed as secondary representative to the Sheriff's Community Advisory Committee.

Tab 10

GENERAL MANAGER'S REPORT

Nothing to report.

Tab 11

**DISCUSSION OF UPCOMING CONFERENCES, WORKSHOPS, OR EVENTS
(INCLUDING ITEMS THAT MAY HAVE ARISEN AFTER THE POSTING OF THE
AGENDA)**

Directors Lewis, Bellah, Lu-Yang and Rios instructed staff to make reservations for their attendance at the Three Valleys Leadership Breakfast to be held on June 9, 2011.

Director Lewis requested that staff make reservations for his attendance at the ACWA Region 9 Program and Tour – “Meeting Today’s Challenges – Both Inside & Out” -- scheduled for June 10, 2011 at the Western Municipal Water District in Riverside.

Tab 12

REVIEW OF CORRESPONDENCE

For information purposes only.

COMMITTEE REPORTS

Tab 13

THREE VALLEYS MUNICIPAL WATER DISTRICT

President Lima provided a report on the recently held Three Valleys’ meeting and reviewed the projected rate increases anticipated by Three Valleys.

Tab 14

PUENTE BASIN WATER AGENCY

A motion was made by Vice President Lu-Yang, seconded by Director Bellah, to approve the Puente Basin Water Agency 2011-2012 Budget. The motion carried 4 – 1 with Ms. Rios abstaining.

Tab 15

RECEIVE AND FILE PUENTE BASIN WATERMASTER 2011-2012 BUDGET

A motion was made by Vice President Lu, seconded by Director Lewis, to receive and file the Puente Basin Watermaster 2011-2012 Budget. The motion carried 4 -1 with Ms. Rios abstaining.

Regional Chamber of Commerce

Vice President Lu-Yang reported that the installation dinner for the Regional Chamber of Commerce is scheduled for July 7, 2011 at 7:00 p.m. Director Lewis reported that he attended

the Government Affairs Committee and that there is no pending legislation and nothing of significance to report at this time.

PWR Joint Water Line Commission

Nothing to report.

Joint Powers Insurance Authority

Mr. Deck reported that the major area of discussion at the recent conference is whether the JPIA will separate from ACWA.

Association of California Water Agencies

Director Lewis reported that most agencies are not realizing a direct return of services equal to the fees that they pay ACWA. Discussion followed regarding the fees paid by the District to ACWA and the benefits received. He also reported that the elections for the Region 8 Board are upcoming and that he is interested in again serving on the Board.

Sheriff Community Advisory Committee

Nothing to Report.

Project Ad-Hoc Committee

Nothing to report.

Finance Ad-Hoc Committee

Director Lewis reported on the meeting held on April 15, 2011 and advised the Board that the next meeting has been scheduled for May 27, 2011.

ATTORNEY'S REPORT

Nothing to report.

PERSONNEL REPORT

Nothing to report.

PUBLIC RELATIONS

Mrs. Perea reported that the Warmel Corporation, owners of McDonald's, had donated 400 "Outstanding Achievement Award" gift certificates for a free hamburger or cheeseburger at 26 McDonald's Restaurant locations in Orange and Los Angeles counties for distribution to students participating in our water conservation programs.

ENGINEER'S REPORT

Mr. Carrera reported that Pathfinder Park is now on recycled water.

**Closed Session: CONFERENCE WITH REAL PROPERTY NEGOTIATOR
(Government Code § 54956.8)**

Legal counsel, Janet Morningstar, reported that in accordance with the Transaction Summary received by the District, the location of the property and the negotiating parties could be more clearly identified, as follows:

- Property: Broomieside Farms located in Sutter County in the Sacramento Valley (approximately 35 miles northwest of downtown Sacramento)
- Negotiating Parties: Pacific Coast Capital Partners, LLC
- Under negotiation: Price and Terms
- District's negotiator: Ken Deck, General Manager

President Lima adjourned the meeting to closed session at 7:43 p.m. pursuant to Government Code Section 54956.8 in order to confer with the District's negotiator.

The closed session was adjourned and the Board resumed the meeting in open session at 8:10 p.m. Legal Counsel reported that instructions had been given to Mr. Deck.

Open session reconvened at 8:10 p.m.

DIRECTORS' AND GENERAL MANAGER'S QUESTIONS AND COMMENTS

General Manager, Ken Deck, welcomed the District's new Director representing Division 1, Teresa Rios.

FUTURE AGENDA ITEMS

Authorization for Director Lewis to run in the upcoming elections for the ACWA Region 8 Board.

LATE BUSINESS

None.

A motion was made by Director Rios, seconded by Director Bellah, and unanimously carried to adjourn the meeting. The meeting was adjourned at 8:15 p.m.

Attest: _____

ANTHONY J. LIMA
Board President

KEN DECK
Board Secretary