



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

March 8, 2011

Location of Meeting: District Office

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**PLEDGE OF ALLEGIANCE**

**ROLL CALL OF DIRECTORS**

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

**OTHERS PRESENT:**

Janet Morningstar, Legal Counsel  
Dan Horan, Three Valleys Municipal Water District  
Joe Ruzicka, Three Valleys Municipal Water District  
Teri Malkin, Resident  
Bud Fice, St. John Vianney Catholic Church  
Ed Chavez, Director, Upper San Gabriel Valley Municipal Water District

**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 presented.

**PUBLIC COMMENT:**

Mrs. Teri Malkin, Rowland Heights resident, inquired as to the District's participation in the Rowland Heights Safe Communities Festival at the Park presently scheduled for March 26, 2011. General Manager Ken Deck noted that the District has been a participant for the past ten years and would again be setting up a booth and providing residents with conservation

information, literature and handouts. Mrs. Malkin noted that she also had comments with respect to Tab 6 on the Agenda and would reserve her comments until Tab 6 was open for discussion.

Mr. Bud Fice, representing the St. Vincent De Paul Society at the St. John Vianney Catholic Church, asked that he be allowed to present his comments with respect to the District's policy on provisions for low income rates or preferred rates for customers. He inquired as to why the District has no reduced rates for low income households. Legal counsel for the District, Janet Morningstar, explained that, as a local governmental entity the District may only exercise those powers expressly provided in the California Constitution and the County Water District Law (California Water Code Division 12). She explained that county water districts are government agencies which are not governed by the Public Utilities Commission, unlike investor-owned public utilities such as Southern California Edison, the Gas Company and some privately held water agencies. Legal counsel offered to provide Mr. Fice with the specific Constitutional and Water Code sections to which she was referring as well as a summary of the provisions of those sections.

**CONSENT CALENDAR:**

Legal counsel recommended that the Minutes of the Special Meeting of February 5, 2011 be modified to include the topics discussed as shown in the agenda for that meeting. Upon a motion by Director Lewis, seconded by Director Rios, the Consent Calendar was approved as presented, with the change recommended by Legal Counsel. The motion was unanimously carried.

The approval of the Consent Calendar included:

- Tab 1, approval of the Minutes of the Special Meeting held on February 5, 2011 with the amended Minutes to include the insertion of the Agenda items included under "Board Educational Workshop on Items Affecting the District";
- Tab 2, approval of Minutes of the Regular Meeting held on February 8, 2011;
- Tab 3, Approval of Demands on General Fund Account for February 2011;
- Tab 4, Approval of the Investment Report for February 2011; and
- Approval of the Regular Board Meeting scheduled for April 12, 2011.

**Tab 5  
REVIEW AND APPROVE DIRECTORS' MEETING REIMBURSEMENTS FOR  
FEBRUARY**

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

**Tab 6  
REVIEW AND APPROVE RESOLUTION NO. 3-2011 CREATING A TRUST TO FUND  
POST-RETIREMENT EMPLOYEE BENEFITS AND ESTABLISHING POLICY FOR  
INVESTMENT OF TRUST FUNDS**

Mrs. Teri Malkin, Rowland Heights resident, raised questions regarding the percentage that the District contributes for employee benefits. General Manager Ken Deck explained that the Board changed District policy for employees hired after July 1, 2009 to pay only the employee's premium and not the spouse. He indicated that the Board is in the process of reviewing all

benefits paid to its employees and the percentage of contribution. Discussion followed and the General Manager explained that the difference between PERS and PARS is that PARS provides options for how the District may invest the funds as to the level of risk and return whereas PERS invests all of the funds under their management in the same manner. He indicated that PARS gives the District more flexibility and options to reduce the unfunded liability for retiree health benefits. Finance Officer, Sean Henry, noted that although the District has grown dramatically in the last ten years, its employee base has remained the same noting that by keeping the employee number constant, it has avoided the increase in employee benefits directly associated with increasing the number of employees.

A motion was made by Director Lewis, seconded by Director Rios, to approve Resolution No. 3-2011 Creating a Trust to Fund Post-Retirement Employee Benefits and Establishing Policy for Investment of Trust Funds.

Roll call vote.

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

Motion was passed by a vote of 5-0.

**Tab 7**

**CLOSED SESSION: INTERVENTION INTO THE CENTRAL GROUND WATER BASIN JUDGMENT, Government Code §54956.9**

This item was moved to the end of the agenda by the President.

**Tab 8**

**WATER PRODUCTION AND DELIVERY AGREEMENT BETWEEN ROWLAND WATER DISTRICT, LA HABRA HEIGHTS COUNTY WATER DISTRICT AND ORCHARD DALE WATER DISTRICT**

General Manager, Ken Deck, reported that La Habra Heights County Water District (LHHCWD) and Rowland have come to a verbal agreement on the terms and conditions. Mr. Deck further commented that LHHCWD's legal Council is incorporating into the draft Agreement the agreed upon terms and conditions.

**Tab 9**

**SCHEDULE DIRECTORS' INTERVIEWS WITH CV STRATEGIES**

General Manager, Ken Deck, indicated that CV Strategies would like to make arrangements to meet with each Director individually, face-to-face, and interview them directly rather than by telephone. All Directors agreed that they would participate in these personal interviews. Mr. Deck indicated that he would provide them with dates to consider.

**Tab 10**  
**GENERAL MANAGER’S REPORT**

- a. Water Purchase Report
- b. *“Retrofits that make cents”*, published in World Reuse & Desalination/Spring 2011  
Director Bellah had questions regarding the difference in the potable, well water and recycled water rates as well as the multi-family and commercial water rates.

**Tab 11**  
**DISCUSSION OF UPCOMING CONFERENCES, WORKSHOPS OR EVENTS**  
**(INCLUDING ITEMS THAT MAY HAVE ARISEN AFTER THE POSTING OF THE**  
**AGENDA)**

Directors Lewis and Bellah confirmed their attendance at **ACWA Region 8 Presents “H2O: It’s Only Money...Or Is It?”** to be held on April 13, 2011 at Calleguas Municipal Water District, Thousand Oaks, CA

**Tab 12**  
**APPROVE SUBMITTAL OF APPLICATION TO REGIONAL CHAMBER OF**  
**COMMERCE TO BECOME A VOTING MEMBER OF THE GOVERNMENT AFFAIRS**  
**COMMITTEE**

This matter died due to the lack of a motion.

**Tab 13**  
**REVIEW OF CORRESPONDENCE**

- a. Letter to ACWA – PWAG’s Opposition to Possible Imposition of Public Goods Charge on Water Service.

This item was for information purposes only.

**Tab 14**  
**APPROVE/DECLINE CLAIM FOR DAMAGES FILED BY BONITA LEUNG**

Mr. Deck gave a brief description of the circumstances giving rise to the claim submitted by Bonita Leung for damages due to a collision between her vehicle and a District vehicle in the parking lot of Albertson’s Supermarket. He recommended that the claim be denied and referred to ACWA/JPIA. A motion was made by Director Lewis and seconded by Director Rios to deny the claim and turn it over to the District’s insurance carrier, JPIA. The motion was unanimously carried.

**Tab 7**

**CLOSED SESSION: INTERVENTION INTO THE CENTRAL GROUND WATER BASIN JUDGMENT, Government Code §54956.9**

Legal Counsel announced that the Board would go into closed session pursuant to Government Code § 54956.9 (c) to consider whether to intervene in the Central Los Angeles Groundwater Basin Adjudication: Central and West Basin Water Replenishment Basin et a. vs. Adams et al. Los Angeles Superior Court No. 786-656.

President Lima adjourned the meeting to closed session at 7:25 p.m. pursuant to Government Code Section 54956.9 in order to discuss whether the District should intervene.

The closed session was adjourned and the Board resumed the meeting in open session at 7:40 p.m. President Lima announced that no action had been taken in closed session.

*Open session reconvened at 7:40 p.m.*

**COMMITTEE REPORTS**

**Tab 15**

**Three Valleys Municipal Water District**

Lu-Yang/Lima

- a. Minutes of the Regular Board Meeting held on February 16, 2011

Director Lu-Yang reported that Lake Mead is at 40% capacity and Diamond Valley Lake is at 84% capacity. The next regularly scheduled Three Valleys' Board meeting is set for Wednesday, March 16, 2011. Mr. Lima reported that the Main San Gabriel Basin is up 223 acre feet.

**Tab 16**

**Association of California Water Agencies**

Lewis/Bellah

- a. Review and Approve considerations of support for David T. Hodgin as Member of the ACWA/JPIA Executive Committee

Mr. Deck noted that he is unable to make any recommendation to the Board regarding this candidate. This matter died due to the lack of a motion.

**Puente Basin Water Agency**

Nothing to report.

**PWR Joint Water Line Commission**

- a. Update on meeting held February 17, 2011.

Director Rios reported on the rotation of officers. Mr. Lima was appointed President , Ms. Lantz was appointed as Vice President and Ms. Kwong was appointed Commissioner.

## **JPIA**

Mr. Deck reported that the District received an insurance refund in the amount of \$36,000.

## **Regional Chamber of Commerce**

Vice President Lu-Yang reported that the Farmers Market will continue to be held at Mt. SAC every Saturday.

## **Sheriff Community Advisory Committee**

Vice President Lu-Yang advised that on April 5, 2011, at 6:00 p.m. a tour will be conducted of the Emergency Operation Center. She also reported that according to the list of crimes in the area, crime in the Rowland Heights area is low compared to surrounding areas.

## **Project Ad-Hoc Committee**

President Lima reported that the Committee is expanding their discussions on succession planning, employee benefits, updates on pending projects, and preparation for the Weymouth shutdown on March 18. The next meeting is scheduled for April 2, 2011.

## **Finance Ad-Hoc Committee**

Nothing to report.

## **ATTORNEY'S REPORT**

Legal counsel, Janet Morningstar, reported on the status of a claim submitted to the District by the Trustee for Indalex Holdings Finance, Inc. for a refund on funds paid to the District. Indalex has filed a Bankruptcy Petition and alleges that payment made to the District is a "preferential transfer", and, as such, should be refunded. Legal counsel responded to the Trustee for Indalex indicating that all payments received by the District were for current water service provided to the Debtor and were made in the ordinary course of business. As such, the payments are not preferential transfers and are not recoverable by the Trustee. Ms. Morningstar will report to the Board at a later date if further communications are received from the Trustee in this matter.

## **PERSONNEL REPORT**

Nothing to report.

## **PUBLIC RELATIONS**

Mrs. Perea reported that the District would be participating in the Safe Communities Festival which will be held on March 26, 2011.

**ENGINEER’S REPORT**

Mr. Carrera reported that several coordination meetings were conducted with neighboring water purveyors in anticipation of Metropolitan’s Weymouth Treatment Plant shutdown scheduled for March 18 through 28, 2011. District reservoir rehabilitation and maintenance projects were completed in coordination with staff’s objective to maximize storage capacity for the March shutdown. Rowland staff met with the Walnut Valley Water District staff to review standby procedures and also with the fire department asking them to suspend all “wet hose” training. The District has contacted Arrowhead Water in the event we are in need of bottled water; La Puente Valley County Water District, Suburban Water, City of La Verne and Three Valleys MWD have indicated that they stand ready to provide additional water should the need arise. Electronic message signs will be placed at strategic points throughout the District requesting water conservation during this time.

**DIRECTORS’ AND GENERAL MANAGER’S QUESTIONS AND COMMENTS**

None.

**FUTURE AGENDA ITEMS**

CSDA Special Districts Legislative Days to be held May 3 through May 4, 2011, Sacramento Convention Center.

**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 7:50 p.m.

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Anthony J. Lima  
Board President

Attest: \_\_\_\_\_  
Ken Deck  
Board Secretary