



Minutes of the Meeting
of the Rowland Water District

November 9, 2010

Location of Meeting: District Office

Pledge of Allegiance.

ROLL CALL OF DIRECTORS:

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

OTHERS PRESENT:

Robert J. Callanan, Diehl, Evans, & Co, LLP
Ed Chavez, Upper San Gabriel Valley Municipal Water District
Dan Horan, Three Valleys Municipal Water District
Kirk Howie, Three Valleys Municipal Water District
Janet Morningstar, Legal Counsel
Joe Ruzicka, Three Valleys Municipal Water District

ROWLAND WATER STAFF PRESENT:

Ken Deck, General Manager
Ted Carrera, Assistant General Manager
Sean Henry, Financial Officer
Rose Perea, Resource Analyst
Nicole P. Silva, Administrative Aide/Secretary to the Board

ADOPTION OF AGENDA: Upon a motion by Director Lewis, seconded by Director Lu-Yang, and approved by unanimous vote, the Agenda was adopted as presented.

PUBLIC COMMENT: There were no comments from the public.

CONSENT CALENDAR: Upon a motion by Director 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 the Minutes of the Regular Meeting held on October 12, 2010 (Tab 1); Approval of Demands on the General Fund Account for October 2010

(Tab 2); Approval of the Investment Report for October 2010 (Tab 3); and Approval of the Board Meeting scheduled for December 14, 2010 (Tab 4).

Tab 5 REVIEW AND APPROVE DIRECTORS' MEETING REIMBURSEMENTS FOR OCTOBER 2010

A motion was made by Director Lu-Yang, seconded by Director Lewis, to approve the Directors' Meeting Reimbursement report as presented. The motion was unanimously carried.

Tab 6 REVIEW DRAFT FINANCIAL AUDIT REPORT FOR FISCAL YEAR 2009 2010 PREPARED BY DIEHL, EVANS & COMPANY, LLP

Mr. Callanan reviewed the draft audit report in detail with the Board.

Tab 7 REVIEW AND APPROVE ROWLAND WATER DISTRICT'S STATEMENT OF OPERATIONS ENDING SEPTEMBER 2010

Mr. Henry explained the report in detail and then responded to questions from the Board.

A motion was made by Vice President Rios, seconded by Director Lu-Yang, to approve the Statement of Operations as presented. The motion was unanimously carried.

Tab 8 REVIEW AND APPROVE ROWLAND WATER DISTRICT'S QUARTERLY INVESTMENT REPORT ENDING SEPTEMBER 2010

Mr. Henry summarized the report for the Board and pointed out that the District is making little to no interest on short-term investments.

A motion was made by Director Lewis, seconded by Vice President Rios, to approve the investment report as presented. The motion was unanimously carried.

Tab 9 REVIEW AND APPROVE EXECUTIVE OFFICER POSITIONS OF THE BOARD OF DIRECTORS

President Lima stated that Vice President Rios had notified him that he does not want to rotate to the position of President in January of 2011 and would like President Lima to fulfill his term. Directors agree that they fully support this recommendation, and that Director Lu-Yang shall rotate to the position of Vice President. This item will be brought back to the Board in December for approval.

Tab 10 RESOLUTION 11-2010 – ESTABLISHING NEW WATER RATES UNDER AUTOMATIC ADJUSTMENT FOR INCREASE IN WHOLESALE WATER COST FROM METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Mr. Deck explained that Metropolitan Water District (MWD) is increasing their wholesale water rate by 7.5% effective January 1, 2011. Resolution No. 9-2009 provided the authority for RWD to automatically pass through increases in wholesale water cost. Mr. Deck explained that Three Valleys Municipal Water District was passing through the MWD rate increase to RWD without adjustment. He explained that the amount by which the District's rates would increase was calculated as the exact amount of the MWD rate increase converted to a per hundred cubic feet (hcf) amount. The wholesale price per acre foot from MWD is increasing from \$691.00 to

\$744.00. With an increase of \$53.00 per acre foot divided by 435.6 cubic feet/per acre foot equates to \$0.12 cents per unit (hcf) increase in the retail rate.

Vice President Rios had concerns about the increase and discussion amongst the Directors and staff ensued.

Upon a motion by Director Lewis, seconded by Director Bellah, to approve Resolution 11-2010 Establishing New Water Rates under Automatic Adjustment for Increase in Wholesale Water Cost from the Metropolitan Water District of Southern California.

Roll call vote:

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

Noes: Vice President Rios

Absent: None

Abstain: None

Motion passed by a vote of 4-1.

Tab 11 REVIEW AND APPROVE CONTRACT FOR ENGINEERING SERVICES FROM CIVILTEC ENGINEERING

Mr. Deck explained to the Board that this contract is for engineering services when needed, as Rowland does not have an engineering department.

A motion was made by Vice President Rios, seconded by Director Lu-Yang, to approve the contract for engineering services from Civiltec Engineering. The motion was unanimously carried.

Tab 12 DISCUSSION OF UPCOMING CONFERENCES, WORKSHOPS, OR EVENTS (INCLUDING ITEMS THAT MAY HAVE ARISEN AFTER THE POSTING OF THE AGENDA)

a. Employee Awards Banquet is tentatively scheduled to be held on January 28, 2011 at the Pomona Fairplex.

Tab 13 GENERAL MANAGER'S REPORT

a. Information only.

Tab 14 THREE VALLEYS MUNICIPAL WATER DISTRICT

a. Information only.

Tab 15 PUENTE BASIN WATER AGENCY (PBWA)

a. Mr. Deck referred to the memo and draft minutes within the Board packet. Mr. Deck further explained the Puente Basin Water Agency Commissioners approved the projects listed within the minutes, but the Commissioners actions require approval from each of the respective Boards of Directors. Mr. Deck requested authorization to move forward with the list of projects if in the event the Walnut Valley Water District Board did not approve the Commissioners actions.

A motion was made by Director Lu-Yang, seconded by Director Bellah, to approve the Commissioners actions taken at the October 21, 2010 Puente Basin Water Agency Meeting and approve staff's request to move the projects forward in the absence of the Walnut Board of Directors approval. The motion unanimously carried.

Tab 16 JOINT POWERS INSURANCE AUTHORITY

a. Information only.

PWR Joint Water Line Commission: Nothing to report.

Association of California Water Agencies: Nothing new to report.

Regional Chamber of Commerce: Nothing to report.

Sheriff Community Advisory Committee: Nothing to report.

Project Ad-Hoc Committee: Nothing new to report.

Finance Ad-Hoc Committee: Nothing new to report.

ATTORNEY'S REPORT: Ms. Morningstar reported that the purchase of water rights from CMPC Transition LLC has been finalized.

PERSONNEL REPORT: Mr. Deck informed the Board that there was a termination of an employee due to his abuse of sick leave, as well as other issues.

PUBLIC RELATIONS: Ms. Perea reported that EduGrant had 17 applicants.

ENGINEER'S REPORT: Mr. Carrera stated that much of the District's current work is related to the Puente Basin Water Agency discussion earlier in the meeting. Also, the Operations Report was handed out at the start of the meeting for Directors review.

DIRECTORS' AND GENERAL MANAGER'S QUESTIONS AND COMMENTS: None.

FUTURE AGENDA ITEMS: None.

LATE BUSINESS: None.

A motion was made by Director Bellah, seconded by Vice President Rios, and unanimously carried to adjourn the meeting. The meeting was adjourned at 7:59 p.m.

Anthony J. Lima
Board President

Attest: _____
Ken Deck
Board Secretary