



Minutes of the Regular Meeting
of the Board of Directors of the Rowland Water District
May 14, 2013 - 6:00 p.m.
Location: District Office

PLEDGE OF ALLEGIANCE

ROLL CALL OF DIRECTORS

President Szu Pei Lu-Yang
Vice President John Bellah
Director Anthony J. Lima
Director Teresa P. Rios

ABSENT:

Director Robert W. Lewis. Director Lewis' attendance at this meeting was excused due to his attendance at the California Special Districts Legislative Days in Sacramento, held May 14-15, 2013.

OTHERS PRESENT:

Janet Morningstar, Legal Counsel
James Linthicum, Three Valleys Municipal Water District
Joe Ruzicka, Three Valleys Municipal Water District
Cara Van Dijk, CV Strategies
Teri Malkin, Resident
Harry Peterson, Resident
Stephen Blagden, Resident

ROWLAND WATER DISTRICT STAFF

Ken Deck, General Manager
Ted Carrera, Assistant General Manager
Rose Perea, Director of Administrative Services
Sean Henry, Finance Officer
Brittnie Van De Car, Public Affairs Representative

ADDITION(S) TO AGENDA

None.

PUBLIC COMMENT ON NON-AGENDA ITEMS

Resident Terri Malkin thanked the Board for their sponsorship of the Kiwanis Ribfest for school scholarships and advised that the District banner was prominently displayed. Resident Stephen Blagden provided comments on the newly installed pipeline on Fullerton Road and the fire hydrants and paving in certain areas of Fullerton Road and asked that the District inspect the areas with respect to quality and aesthetics to determine whether they meet with the Rowland Water District standards.

Resident Harry Peterson posed questions in connection with recent water purchases and how the District budgets for the leased and/or purchased water rights. Mr. Deck explained that due to the variable market price it is virtually impossible to budget for this. As the opportunity to purchase and/or lease water rights becomes available, the matter is presented to the Board for approval.

PUBLIC COMMENT ON AGENDA ITEMS

None.

Tab 1 - CONSENT CALENDAR

Upon motion by Director Lima, seconded by Director Bellah, the Consent Calendar was approved as presented, noting that it may become necessary to change the date of the June 11, 2013 Board meeting, in the event that Mr. Deck needs to go to Washington D.C. in connection with funding for the Pomona project. The motion was unanimously carried by those in attendance; Director Lewis was absent.

The approval of the Consent Calendar included:

1.1

Approval of the Minutes of Regular Board Meeting Held on April 9, 2013

1.2

Approval of the Minutes of Special Board Meeting Held on April 30, 2013

1.3

Demands on General Fund Account for April 2013

1.4

Investment Report for April 2013

1.5

Water Purchases for March 2013

Next Special Board Meeting: May 28, 2013, 5:00 p.m.
Next Regular Board Meeting: June 11, 2013, 6:00 p.m.

Tab 2 - ACTION ITEMS

2.1

Approve Directors' Meeting Reimbursements for April 2013

Director Lima posed questions regarding President Lu-Yang's attendance at various Chamber meetings and the benefit derived by the District. Mr. Deck explained that Director Lu-Yang was appointed by the Board to act as the District's representative to the Chamber of Commerce and that reimbursement was authorized for Chamber meetings under the Board's written policy specifying meetings for which payment of per diem was pre-authorized. It was agreed by the Board to review the District's reimbursement policy for meetings attended by Directors at the next regularly scheduled Board meeting.

Upon motion by Director Lima, seconded by Director Rios, the Directors' Meeting Reimbursement Report was approved as presented. The motion was unanimously carried by those in attendance; Director Lewis was absent.

2.2

Review and Approve Rowland Water District's Statement of Operations for Period Covering July 1, 2012 through March 31, 2013

Mr. Henry reviewed line items contained in the report covering the period July 1, 2012 through March 31, 2013, in detail and explained the variances in several categories. He noted that the increase in water revenue was primarily due to the rate increase and the variance in water purchases was due to the water purchased and stored. Resident Harry Peterson questioned the bank service charges. Mr. Henry advised that some of the charges were for managing bond retention funds. With the current interest rates being so low, the bank charges increase to pay for the services they provide. When interest rates were higher, the Bank was able to charge less for these services. Current year expenses were very close to the prior year's expenses for this period.

A motion was made by Director Rios, seconded by Director Bellah, to receive and file the Statement of Operations as presented. The motion was unanimously carried by those in attendance; Director Lewis was absent.

2.3

Review and Approve Rowland Water District's Quarterly Investment Report as of March 31, 2013

Mr. Henry provided a Power Point presentation to the Board to graphically illustrate and compare the District's investments contained in the report and noted the balances as of March 31, 2013, indicating that a very low interest rate environment still exists and that the trend appears to indicate that the District will receive less than 1% as bonds are reinvested. Mr. Henry answered the questions posed by members of the Board regarding the Retiree Medical Trust to fund post-retirement benefits for District employees. Mr. Henry indicated that the unfunded liability is approximately \$2 Million and the fund balance is about \$500,000. Mr. Henry projected that the trust would be fully funded in four years. Mr. Deck explained that the trust was set up so that the funds could be invested in higher-yield, higher-risk investments. The reserve funds for the District's Certificates of Deposit and 2012 Bonds are invested in Treasury Notes at 1.25%. In response to a question from Director Lu-Yang, Mr. Henry reported that the District's total reserves were about \$17 Million. After discussion, a motion was made by Director Lima,

seconded by Director Rios, to receive and file the investment report as presented. The motion was unanimously carried by those in attendance; Director Lewis was absent.

2.4

Review and Approve District's Financial Contribution to Candidate's Statement for District Elections

Mr. Deck advised the Board that it is the District's policy to pay for the first 200 words of the Candidate's statements submitted by candidates for the office of Director of the Rowland Water District. A motion to continue with the existing policy was made by Director Rios, seconded by Director Lima and unanimously carried by those in attendance; Director Lewis was absent.

2.5

Review and Approve 2% Cost of Living Increase for all Employees Based on Merit

After Discussion and comments by staff and the Board, a motion was made by Director Lima, seconded by Director Rios, and unanimously carried by those in attendance, Director Lewis being absent, to approve a cost of living increase for all employees based on merit in the amount of 2%. Staff was instructed to implement the increase effective July 1, 2013.

2.6

Review and Approve Rowland Water District Budget – Fiscal Year 2013-2014

Mr. Deck advised the Board that the Budget presented contained no changes from the "draft" copy discussed and reviewed by the Board at length at the Budget Workshop held on April 30, 2013 and that it included the two percent (2%) salary increase for all employees discussed at the workshop.

A motion was made by Director Bellah, seconded by Director Lima, to approve the Rowland Water District Budget for Fiscal Year 2013-2014 as presented. The motion was unanimously carried by those in attendance; Director Lewis was absent.

2.7

Receive and File 2013-2014 Puente Basin Water Agency Annual Budget

Mr. Deck reported that the Puente Basin Commissioners have reviewed and approved the 2013-2014 Annual Budget. A motion was made by Director Lima, seconded by Rios, and unanimously carried by those in attendance, Director Lewis being absent, to receive and file the 2013-2014 Puente Basin Water Agency Annual Budget.

2.8

Schedule Ethics Training for Members of the Board and Staff

After discussion, the Sexual Harassment and Ethics Training was scheduled for June 21, 2013, from 1:00 p.m. to 4:00 p.m. The training will be conducted by legal counsel, Janet Morningstar.

2.9

Review and Approve District's Social Media Policy

Mr. Deck discussed the need for a District Social Media Policy due to the development of the District's new website which will include Facebook and Twitter. After discussion concerning the need for, and key provisions of the proposed Social Media Policy, a motion was made by Director Rios, seconded by Director Lima, and unanimously carried by those in attendance, Director Lewis being absent, to approve the Social Media Policy as presented.

2.10

Review and Approve Renewal of Reeb Government Relations, LLC Lobbying Firm Retention Contract

Mr. Deck discussed the benefit of retaining a lobbyist on behalf of the District in Sacramento and the value that the District has derived by having this representation. After discussion, a motion was made by Director Lima, seconded by Director Bellah, and unanimously carried by those in attendance, Director Lewis being absent, to approve the renewal of the Reeb Government Relations, LLC Lobbying Firm Retention Contract for one year.

2.11

Communications/Education Outreach Update

Brittnie Van De Car, Public Affairs Representative, presented a Power Point presentation on the various community outreach events she and members of staff have attended and on the classroom presentations she has completed at schools throughout the District's service area. She and Mrs. Perea met with Jan Castle, administrator from the Hacienda-La Puente Unified School District, to review the programs which are available for next year, and with the Energy Management Coordinator for Rowland Unified, Juliann Ferguson. She estimates that her outreach efforts have reached approximately 2,200 students and residents.

Cara VanDijk, CV Strategies, reviewed the Communications Outreach Update included in the Board packet and provided a status update on many of the projects they are working on for the District and, in particular, discussed the design and layout of the Consumer Confidence Report. She advised that CV Strategies is awaiting the Board members' feedback and suggestions with respect to the Board information cards which were distributed to them.

Residents Teri Malkin and Harry Peterson commented on the reports provided by Ms. VanDeCar and Ms. VanDijk and staff provided clarification and answers to the questions raised.

2.12

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

- Three Valleys Leadership Breakfast, June 6, 2013
The Board requested that staff make reservations for Directors Lima, Bellah and Lu-Yang for their attendance at the breakfast.

Tab 3 LEGISLATIVE INFORMATION

3.1

Updates on Legislative Issues

For information purposes only.

Tab 4 REVIEW OF CORRESPONDENCE

Nothing to report.

Tab 5 COMMITTEE REPORTS

5.1

Three Valleys Municipal Water District

Director Lima reported on his attendance at the May 1, 2013 Board meeting and on the presentations made the General Manager for West Basin Municipal Water District.

5.2

Joint Powers Insurance Authority

Nothing to report.

5.3

Association of California Water Agencies

Directors Lu-Yang and Bellah provided comments on their attendance at the ACWA Conference held on May 7-10, 2013.

5.4

Project Ad-Hoc Committee

President Lu-Yang advised that the next meeting is scheduled for May 24, 2013.

5.5

Regional Chamber of Commerce

President Lu-Yang reported that the Annual Installation Dinner is scheduled for June 20, 2013 and the Chamber Green Campaign is scheduled for August 5, 2013. The Chamber Government Affairs Committee May 13, 2013 meeting was cancelled.

5.6

PWR Joint Water Line Commission

Nothing to report.

5.7

Puente Basin Water Agency

Director Lima reported that the next meeting is scheduled for May 16, 2013.

5.8

Sheriff's Community Advisory Council

Director Rios reported that the "roof top burglars" who had been breaking into banks through their roofs had been caught and that the suspects in connection with the theft of personal items at the cemetery while individuals attended services had been apprehended.

5.9

Rowland Heights Community Coordinating Council

Director Bellah reported that the CHP and Sheriff's Department advised that in order to prevent I.D. theft it was not necessary to carry the original car registration in the automobile and that a copy could be stored in your cellular telephone. Director Rios commented on her attendance at the meeting and President Lu-Yang advised that she had attended the May 2, 2013 groundbreaking for the new Community Center which is estimated to be completed in 2014.

Tab 6 OTHER REPORTS, INFORMATION ITEMS AND COMMENTS

6.1

Public Relations

Mrs. Perea reported that Brittne is continuing to move forward in forming partnerships with the schools within our service area and that the classroom presentations which she has made have

been very well received. She and Brittne are continuing to work on the final stages of the new website.

6.2

Personnel Report

Mr. Deck advised the Board that after over twenty-six years of service to the District, the Facilities Maintenance Worker Profirio Pena is retiring on June 30, 2013.

6.3

Engineer's Report

Mr. Carrera reported on his attendance at the Walnut Creek Energy Plant (Peaker Plant) dedication held on May 10, 2013, and that it was very well attended. Representatives from the California Energy Commission and the Public Utilities Commission were in attendance, as well as Assemblyman Charles Calderon and Senator Ed Hernandez. The activation of the Peaker Plant will increase the District's recycled water sales by about 1,500 acre-feet per year representing \$3 Million in revenue to the District.

Tab 7 ATTORNEY'S REPORT (Ms. Morningstar)

Nothing to report.

Directors' and General Manager's Comments

None.

Future Agenda Items

- Review District Reimbursement Policy for meetings attended by Directors

Late Business

None.

Next Special Meeting of the Board of Directors: May 28, 2013, 5:00 p.m.

Next Regular Meeting of the Board of Directors: June 11, 2013, 6:00 p.m.

A motion was made by Director Lima, seconded by Director Rios, and unanimously carried to adjourn the meeting. The meeting was adjourned at 8:00 p.m.

SZU PEI LU-YANG
Board President

Attest: _____
KEN DECK
Board Secretary