



Minutes of the Regular Meeting
of the Board of Directors of the Rowland Water District
November 12, 2013 - 6:00 p.m.
Location: District Office

PLEDGE OF ALLEGIANCE

ROLL CALL OF DIRECTORS

Vice President John Bellah
Director Anthony J. Lima
Director Teresa P. Rios
Director Robert W. Lewis

ABSENT:

President Szu Pei Lu-Yang

OTHERS PRESENT:

Janet Morningstar, Legal Counsel
Dan Horan, Three Valleys Municipal Water District
Kirk Howie, Three Valleys Municipal Water District
Erin Gilhuly, CV Strategies
David Malkin, Resident
Robert Callanan, White Nelson Diehl Evans, LLP
Harry Peterson, Resident

ROWLAND WATER DISTRICT STAFF

Ken Deck, General Manager
Ted Carrera, Assistant General Manager
Tom Coleman, Assistant General Manager
Rose Perea, Director of Administrative Services
Sean Henry, Finance Officer

In the absence of President Lu-Yang, Vice President Bellah chaired the meeting.

ADDITION(S) TO THE AGENDA

None.

PUBLIC COMMENT ON NON-AGENDA ITEMS

Resident, Harry Peterson, provided General Manager, Ken Deck with questions which included PM-22 water purchases and the appearance that we had exceeded Tier 1 levels. Mr. Deck explained that the water purchases are cumulative, notwithstanding their source, and that although it appeared that we exceeded Tier 1 levels with purchases from PM-22, we had not because cumulative purchases for the period were below Tier 1 levels.

Tab 1 - CONSENT CALENDAR

Upon motion by Director Lewis, seconded by Director Lima, the Consent Calendar was approved as presented. President Lu-Yang being absent, the motion was approved with a 4-0 vote.

The approval of the Consent Calendar included:

1.1

Approval of the Minutes of Regular Board Meeting Held on October 8, 2013

1.2

Approval of the Minutes of Special Board Meeting Held on October 22, 2013

1.3

Demands on General Fund Account for October 2013

1.4

Investment Report for October 2013

1.5

Water Purchases for September 2013

Next Special Board Meeting

November 21, 2013, 5:00 p.m.

Next Regular Board Meeting

December 10, 2013, 6:00 p.m.

Tab 2 - ACTION ITEMS

2.1

Approve Directors' Meeting Reimbursements for October 2013

Upon motion by Director Lewis, seconded by Director Lima, the Directors' Meeting Reimbursement Report was approved as presented. President Lu-Yang being absent, the motion was approved with a 4-0 vote.

2.2

Review Draft Financial Audit Report for Fiscal Year 2012-2013 Prepared by White Nelson Diehl Evans LLP

Robert Callanan representing the firm of White Nelson Diehl Evans LLP reviewed the documents contained in the "Draft" Financial Audit Report and answered questions posed by the Directors. He noted that due to new accounting standards, there was a change in terminology and reporting, and that there are five categories instead of three in the statement of net position (Balance Sheet). In particular, there was a change in the treatment of the Bond issuance cost. The firm encountered no difficulty in performing the audit and there were no disagreements with management noted. He indicated that the draft report was presented for information and discussion only. The final document will be presented at the December 10, 2013, Board meeting for approval.

2.3

Review and Approve Rowland Water District's Statement of Operations for the Three Months Ending September 30, 2013

Mr. Henry explained the report covering the period July 1, 2013 through September 30, 2013, in detail and then responded to questions from the Board. Mr. Henry noted that the increase in operating revenue was attributable to increased water sales and conversely, the increase in operating expenses reflected the increase in water purchases.

A motion was made by Director Lewis, seconded by Director Lima, to receive and file the Statement of Operations as presented. President Lu-Yang being absent, the motion passed with a 4-0 vote.

2.4

Review Rowland Water District's Quarterly Investment Report as of September 30, 2013

Mr. Henry summarized the report for the Board and noted the balances as of September 30, 2013, indicating that a very low rate environment still exists, i.e., less than one-half of one percent.

A motion was made by Director Lima, seconded by Director Rios, to receive and file the investment report as presented. President Lu-Yang being absent, the motion passed with a 4-0 vote.

2.5

Receive and File PWR Joint Water Line Commission Audit Report for Fiscal Year 2012-2013 Prepared by White Nelson Diehl Evans LLP

Mr. Deck advised that the Commission has approved the Audit Report as presented at its October 17, 2013 meeting.

A motion was made by Director Lima, seconded by Director Rios, to receive and file the PWR Joint Water Line Commission Audit Report for Fiscal Year 2012-2013. President Lu-Yang being absent, the motion passed with a 4-0 vote.

2.6

Review and Approve "Puente Basin Water Agency Project Agreement No. 2 Cal Domestic Water Company Project"

Mr. Deck advised the Board that the Puente Basin Water Agency had approved the Agreement at its Board meeting which was held on October 10, 2013 and that the District's approval was a requirement of the Agency's Rules and Regulations and as such a mere formality between the parties.

A motion was made by Director Lima, seconded by Director Rios, to authorize General Manager, Ken Deck, to execute the Agreement on behalf of the District. President Lu-Yang being absent, the motion was approved with a 4-0 vote.

2.7

Review and Discuss Public Official Gift Limitations

General Manager, Ken Deck, referred to the Memorandum prepared by Attorney Jim Ciampa summarizing the Public Official Gift Limitations which was included in the Board Meeting Packet and urged members of the Board to follow the guidelines for reporting gifts on their form 700 as outlined in the memorandum.

Mrs. Perea handed out a “Reportable Gifts” form which the Directors can use to keep track of gifts to be included in their Statement of Economic Interest (Form 700).

2.8

Select Voting Delegate to Vote at the ACWA Fall Conference for ACWA President and Vice President for the 2014-2015 Term

After discussion by members of the Board, upon motion made by Director Rios, seconded by Director Lima, and approved by a 4-0 vote, the Board selected Director Robert W. Lewis as the voting delegate at the ACWA Fall Conference to vote for the offices of President and Vice President for the 2014-15 Term. In the event nominations from the floor are presented for the office of Vice President, it was staff’s recommendation that Director Lewis vote in favor of Kathy Tiegs for the office of Vice President. Upon motion by Director Lima, seconded by Director Rios, the Board moved that Director Lewis vote in favor of Kathy Tiegs as Vice President. President Lu-Yang being absent, the motion was passed with a 4-0 vote.

2.9

Discuss Approval of General Services Contract Between Rowland Water District and Bellflower-Somerset Mutual Water Company

General Manager, Ken Deck, provided information to the Board regarding the purpose of the Agreement. The Agreement would allow Assistant General Manager, Tom Coleman, to move forward on projects that are time sensitive until such time as Bellflower-Somerset finds a replacement for his position. This would entail approximately four to eight hours per week and the Agreement would provide for his hourly rate plus approximately \$50.00 and include mileage and expenses. Mr. Deck advised that these shared services would reduce the administrative cost to the District and are in direct alignment with the Board’s long-range strategic plan to expand in the area of shared services. After discussion, it was staff’s recommendation that the Board authorize legal counsel, Janet Morningstar, to draft the Agreement. Upon motion by Director Lewis, seconded by Director Rios, the Board approved the drafting of the Agreement to incorporate the terms discussed. President Lu-Yang being absent, the motion was passed with a 4-0 vote.

2.10

Communications Outreach/Education Update

Erin Gilhuly, CV Strategies, reviewed the Communications Strategies Update with the Board and advised that CV Strategies is finalizing a feature article to be included in *Source Magazine* and also in the *ACWA News*. They are also working on a press release featuring Tom Coleman’s hiring and shared services.

Rose Perea, Director of Administrative Services, reviewed Brittnie Van De Car’s Education Update included in the Board Meeting Packet and outlined the assessment process used in connection with the program.

2.11

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

- CUEMA Elected Officials Summit, March 4-5, 2014, Renaissance Esmeralda Hotel, Indian Wells, CA
After discussion, a motion was made by Director Lewis, seconded by Director Rios to authorize the Board's attendance at the conference. The motion was passed with a 4-0 vote. Staff was instructed to make reservations for Directors Lima, Lewis, Bellah and Rios.

Tab 3 LEGISLATIVE INFORMATION

3.1

Updates on Legislative Issues

Director Lewis reported on his attendance at the Sacramento Legislative Session Update and Forecast Luncheon held on November 1, 2013 with State Senator Ed Hernandez and Senate Leader Bob Huff and the topics covered which included Health Care Reform, Education Reform, Water/Water Bond, Economic Development and Transportation and noted that the Water Bond is still in Committee.

Tab 4 REVIEW OF CORRESPONDENCE

General Manager, Ken Deck, advised the Board that the District had received a "Thank You" letter from David Malkin, Past President Kiwanis Club Hacienda Heights, for the District's support at the Annual Pancake Breakfast at the Rowland Heights Buckboard Days Parade. The funds will go to programs and scholarships for the children in the communities we serve.

Tab 5 COMMITTEE REPORTS

5.1

Three Valleys Municipal Water District

Director Lima reported on his attendance at the October 16, 2013 Board meeting and that speaker, Cathy Cole, the in-house MWD lobbyist, reported on the status of the Water Bond, the Bay Delta Conservancy Plan and Assembly Bill 145 which would transfer the water program from the Department of Health Services to the Department of Water Resources.

5.2

Association of California Water Agencies

Nothing to Report.

5.3

Puente Basin Water Agency

Director Lima reported on his attendance at the meeting held on October 10, 2013 and advised that the Cal Domestic Pipeline Project was sent out for bid. Mr. Carrera advised that the Notice Inviting Bids was sent to eight contractors and three submitted bids. The bids were very close and the contract was awarded to Doty Bros. Equipment Co. who was the lowest bidder. The bid opening on the pump station has been moved to November 25, 2013.

5.4

Joint Powers Insurance Authority

Nothing to report.

5.5

Project Ad-Hoc Committee

Nothing to report.

5.6

Regional Chamber of Commerce

Director Lewis reported that the next Government Affairs Committee meeting is scheduled for November 18, 2013.

5.7

PWR Joint Water Line Commission

Director Lima reported that the next quarterly meeting is scheduled for February 2014.

5.8

Sheriff's Community Advisory Council

Nothing to report.

5.9

Rowland Heights Community Coordinating Council

Director Bellah advised that the meeting held on November 11, 2013, concentrated primarily on the history of the Rowland Heights area and provided interesting background information on the early Rowland and Workman families.

Tab 6 OTHER REPORTS, INFORMATION ITEMS AND COMMENTS

6.1

Public Relations

Mrs. Perea advised that the District had received two Edu Grant applications from Telesis Academy and one from Jellick Elementary. The due date for the Grant applications is November 15, 2013 and the review and judging will take place on November 20, 2013. She also reported that the National Theatre for Children had completed the fall semester performances at five of the schools in our service area and had reached 2,525 students with these performances. They are in the process of scheduling additional performances for the spring semester.

6.2

Personnel Report

Nothing to report.

6.3

Engineer's Report

Nothing to report.

Tab 7 ATTORNEY'S REPORT (Ms. Morningstar)

Nothing to report.

Directors' and General Manager's Comments

General Manager, Ken Deck, emphasized the importance of providing receipts with all expense reports and urged the Directors to frequently check their iPad e-mails for time sensitive information. Mr. Deck also advised that the Sheriff's Department had inquired as to the possibility of including bill stuffers from time to time in our customer billing. Mr. Deck noted that the cost to insert a one page flyer in each bill would be approximately \$300.00 each time to generate. Legal counsel advised that unless the information contained in the bill stuffer is directly related to the District, the District cannot pay the cost of the Sheriff's bill stuffer. The Board concurred and would be agreeable if the Sheriff's Department agreed to pay for the bill stuffers.

Future Agenda Items

None.

Late Business

None.

Next Special Board Meeting
Next Regular Board Meeting

November 21, 2013, 5:00 p.m.
December 10, 2013, 6:00 p.m.

A motion was made by Director Lewis, seconded by Director Rios, and unanimously carried to adjourn the meeting. The meeting was adjourned 7:58 p.m.

JOHN E. BELLAH
Board Vice President

Attest: _____
KEN DECK
Board Secretary