



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

March 13, 2012 - 6:00 p.m.
Location: 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
Director Teresa P. Rios

ABSENT:

None.

OTHERS PRESENT:

Janet Morningstar, Legal Counsel
Kirk Howie, Three Valleys Municipal Water District
Dan Horan, Three Valleys Municipal Water District
Joe Ruzicka, Three Valleys Municipal Water District
David Malkin, Rowland Heights Resident
Teri Malkin, Rowland Heights Resident
Ron Chong, Youth Science Center
Stephen Blagden, La Habra Heights Resident
George Edwardz, The Avocado Express, La Habra Heights

ROWLAND WATER DISTRICT STAFF:

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

ADDITION(S) TO AGENDA

None

PUBLIC COMMENT ON AGENDA ITEMS

COMMENTS:

Mr. David Malkin, Rowland Heights resident, provided information on the Kiwanis Club, "Rib Fest" which will be held on May 6, 2012, at 5:00 p.m. -- a \$30.00 all-you-can-eat event.

Mr. Stephen Blagden, La Habra Heights resident, provided information he obtained from the County of Los Angeles on the Harbor Boulevard underground pipeline and further discussed La Habra Heights County Water District's well capacity.

Mr. George Edwardz, The Avocado Express, posed questions to the Board regarding the March 16, 2012, District tour of the District facilities and advised that he would be participating in the tour.

Tab 1 - CONSENT CALENDAR

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

The approval of the Consent Calendar included:

1.1

Approval of the Minutes of Regular Board Meeting Held on February 14, 2012

1.2

Approval of the Minutes of Special Board Meeting Held on February 29, 2012

1.3

Approval of the Minutes of Special Board Meeting Held on March 5, 2012

1.4

Demands on General Fund Account for February 2012

1.5

Investment Report for February 2012

1.6

Calendar of events for March and April 2012

Special Board Meeting: Directors Tour of District to be held on March 16, 2012

Special Board Meeting: Strategic Planning to be held March 27, 2012

Regular Board Meeting to be held on April 10, 2012

Tab 2 - ACTION ITEMS

2.1

Approve Directors' Meeting Reimbursements for February 2012

Upon motion by Director Lewis, seconded by Vice President Lu-Yang, the Directors' Meeting Reimbursement Report was approved as presented. The motion was unanimously carried.

2.2

Approve Sponsorship of the Youth Science Center at Wedgeworth Elementary in the Amount of \$2,500

Mr. Ron Chong, representative from the Youth Science Center, provided an over-view of the fifth grade education program they provide on the "Magical World of Water" at Wedgeworth Elementary School in Hacienda Heights. The program is aligned to State standards and meets once a week, for three weeks concluding with a field trip to the Sanitation District. The program reaches approximately 100 students and is offered to eight elementary schools, all within the District's boundaries. Director Lewis asked legal counsel whether an expenditure of District funds for this purpose was authorized. Ms. Morningstar responded that county water districts were authorized to disseminate information to the public concerning its activities and water conservation, and that this program would qualify as an expenditure for that purpose. Upon motion made by Vice President Lu-Yang, and seconded by Director Rios, the Board unanimously approved sponsorship of the Youth Science Center in the amount of \$2,500.

2.3

Approve/Decline Claim for Damages Filed by Emilio Cruz

After a brief discussion and a description of the claims filed against the District by Emilio Cruz and Maria Cruz, made by General Manager, Ken Deck, President Lima requested that the motion on the claims be combined to include both claims. A motion was made by Director Lewis, seconded by Director Rios, and unanimously carried, to reject the claims for damages filed by Emilio Cruz and Maria Cruz. Staff was instructed to forward the appropriate Notice of Rejection of Claim to Mr. and Mrs. Cruz' attorney with a copy to the District insurance carrier, ACWA/JPIA.

2.4

Approve/Decline Claim for Damages Filed by Maria Cruz

A motion to reject the claim is included at item 2.3 above.

2.5

Review and Approve Investment Policy of the District

General Manager, Ken Deck, reported that legal counsel had reviewed the authority statues and no changes were necessary. Upon motion made by Vice President Lu-Yang, seconded by Director Lewis, and unanimously carried, the Board approved the motion to maintain the current District Investment Policy.

2.6

Review and Approve Resolution No. 3-2012 Re-Authorizing Investment Authority to the General Manager

A motion was made by Director Lewis, seconded by Director Rios, to approve Resolution No. 3-2012 Re-Authorizing Investment Authority to the General Manager.

Roll call vote.

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

Motion was passed by a vote of 5-0.

2.7

Review and Approve Change in the District's Insurance Carrier for Long-Term Disability, Short-Term Disability, and Life Insurance from MetLife to Assurant

Mr. Deck advised the Board that due to the poor customer service and the drawn-out claim payment policy of MetLife, he requested that the District insurance brokers, WSP Corporate Benefits and Insurance Services, Inc., conduct a survey and comparison of other insurance carriers who provide comparable services. Based on the options provided by WSP and the comparisons offered, it is staff's recommendation that the District change its insurance carrier from MetLife to Assurant. A motion was made by Vice President Lu-Yang, seconded by Director Rios, to change the District's insurance carrier for Long-Term Disability, Short-Term Disability and Life Insurance to Assurant. The motion was unanimously carried.

2.8

Approve Change of May 8, 2012 Board Meeting to May 1, 2012

Due to a conflict with the regular meeting date of May 8, 2012 and the ACWA Fall Conference, a motion was made by Director Lewis, seconded by Vice President Lu-Yang, to change the date of the Board meeting from May 8, 2012 to May 1, 2012. The motion was unanimously carried.

2.9

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

- Regional Chamber of Commerce Power Lunch to be held March 21, 2012 (Diamond Bar)
Staff was asked to make reservations for Directors Lewis and Lu-Yang to attend the Chamber of Commerce Power Lunch to be held on March 21, 2012.
- ACWA 2012 Spring Conference to be held May 8-11, 2012 (Monterey)
Mr. Deck indicated that all reservation requirements information had been received from the Directors who will be attending the Spring Conference.

Tab 3 - GENERAL MANAGER'S REPORT

3.1

Water Purchase Report

General Manager, Ken Deck, reported that recycled water sales are up considerably.

TAB 4 – LEGISLATIVE INFORMATION

4.1

Updates on Legislative Issues

Mr. Deck and Directors Lu-Yang, Lewis and Rios attended the ACWA Legislative Symposium on March 7, 2012. Vice President Lu-Yang indicated that it was disappointing that no adequate response was provided with respect to the funding of the Water Bond. Director Bellah provided newspaper articles on the Bay Delta Plan and ACWA's support of the twin tunnels as well as an article on the City of Azusa's sludge processing.

TAB 5 - REVIEW OF CORRESPONDENCE

None.

TAB 6 - COMMITTEE REPORTS

6.1

Three Valleys Municipal Water District

President Lima attended the Three Valleys MWD's March 7, 2012 Board meeting and reported that Harvey Mudd College students made a presentation on building a recycled water plant for irrigation use at a cost of approximately \$5.4 million. He felt that their thought process was in the right place, but that many of the details such as funding and waste disposal had not as yet been addressed. Three Valleys' presented a Power Point presentation on the budget which included the MWD projected increases in water charges.

6.2

Joint Powers Insurance Authority

Director Lewis referred to the transition of ACWA HBA into the ACWA/JPIA and the possible cost savings to ACWA members enrolled in the insurance programs.

6.3

Association of California Water Agencies

Director Lewis reported that he had attended ACWA Region 8 meeting at Western Municipal Water District, noting the possibility that the voting on the Water Bond could be deferred to 2014.

6.4

Project Ad-Hoc Committee

Nothing to report.

6.5

Regional Chamber of Commerce

Vice President Lu-Yang reported that the Chamber Mixer is scheduled for March 14, 2012, at the Hacienda Golf Course, the Senator Bob Huff luncheon has been scheduled for March 16, 2012, and that the Farmers' Market continues to meet every Saturday at Mt. San Antonio College.

6.6

PWR Joint Water Line Commission

President Lima reported that the officer rotation had taken place and that Ms. Lantz, from Pomona, will serve as the current year President for the Commission.

6.7

Puente Basin Water Agency

President Lima advised that the next meeting will be held at the District on March 15, 2012, at 7:00 a.m. The rotation of officers for the Agency occurred on February 16, 2012, and he will serve as President for another year.

6.8

Sheriff Community Advisory Committee

Vice President Lu-Yang advised that there have been no meetings scheduled for the Committee to date.

6.9

Rowland Heights Community Coordinating Council

Director Bellah advised that the next Council meeting will be held on March 16, 2012 and that one of the items on the Agenda is the consideration of moving State prisoners to local facilities.

Tab 7- ATTORNEY'S REPORT (MS. MORNINGSTAR)

Legal counsel, Janet Morningstar, reported that she has been advised by the District's special litigation counsel defending the claim of the Indalex Bankruptcy Trustee in Delaware that they have received no opposition to the dismissal of the case. She expects to have the formal Dismissal documents for presentation to the Board at the April Board meeting.

Tab 8 CLOSED SESSION

- a.** Conference with Real Property Negotiators Pursuant to Government Code Section 54956.8
Property: Purchase of Water Rights
District Negotiator: Ken Deck, General Manager
Negotiating Parties: Evolution Markets
Under Negotiation: Price and Terms

Nothing to report, therefore, a closed session was not held.

Tab 9 - OTHER REPORTS, INFORMATION ITEMS AND COMMENTS

9.1

Public Relations

Mrs. Perea, Director of Administrative Services, advised the Board that some of the material used by the Wedgeworth Science Center in their water education program is taken from the Project Wet workbooks which the District provides to teachers participating in the Project Wet Teachers' workshop offered to teachers within the District in October of each school year.

9.2

Personnel Report

Nothing to report.

9.3

Engineer's Report

Mr. Carrera, Assistant General Manager, shared pictures of the 340-ton rock which was transported through the District on Pathfinder Road, to Fullerton Road and on to Colima in its journey from Riverside to the Los Angeles County Museum of Art.

Directors' and General Manager's Comments

Director Bellah posed questions on the JPIA risk assessment conducted on January 31, 2012, which is included at Tab 6.2 of the Board Packet. Mr. Deck discussed the deficiencies included in the assessment and advised that they are being addressed. The District's response to the JPIA will be included in the Directors' Board packet.

Future Agenda Items

- Change the September Board meeting date prior to the regularly scheduled meeting.

Late Business

None.

A motion was made by Director Rios, seconded by Vice President Lu-Yang, and unanimously carried to adjourn the meeting. The meeting was adjourned at 7:28 p.m.

ANTHONY J. LIMA
Board President

Attest: _____
KEN DECK
Board Secretary