



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

May 1, 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
Dan Horan, Three Valleys Municipal Water District
Joe Ruzicka, Three Valleys Municipal Water District
Cara VanDijk, CV Strategies
Teri Malkin, Rowland Heights Resident
Stephen Blagden, La Habra Heights Resident
George Edwardz, The Avocado Express

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

None.

Tab 1 - CONSENT CALENDAR

Upon motion by Vice President 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:

1.1

Approval of the Minutes of Regular Board Meeting Held on April 10, 2012

1.2

Approval of the Minutes of Special Board Meeting Held on April 11, 2012

1.3

Approval of the Minutes of Special Board Meeting Held on April 24, 2012

1.4

Calendar of events for May and June 2012

Special Board Meeting: May 22, 2012

Regular Board Meeting: June 12, 2012

Tab 2 - ACTION ITEMS

2.1

Approve Directors’ Meeting Reimbursements for April 2012

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

2.2

Review and Approve Water Production and Delivery Agreement between Rowland Water District, La Habra Heights County Water District and Orchard Dale Water District

Mr. Deck advised the Board that the La Habra Heights County Water District had approved the Agreement at its April 24, 2012 meeting and that he had received three executed copies of the Agreement for his signature and transmittal to Orchard Dale once it has been approved by the Rowland Board.

Mr. George Edwardz, The Avocado Express, voiced his concerns in connection with the intended purpose of the Agreement and Mr. Stephen Blagden, La Habra Heights resident, expressed his opinion that he felt the Agreement was neither generally nor financially beneficial to La Habra Heights residents.

Upon motion by Vice President Lu-Yang, seconded by Director Rios, the Water Production Agreement between Rowland Water District, La Habra Heights County Water District and Orchard Dale Water District was unanimously approved and General Manager, Ken Deck, was directed to execute the Agreement on behalf of the District.

2.3

Review and Approve Rowland Water District's Statement of Operations for Period Ending March 31, 2012

Mr. Henry explained the report covering the period January 1, 2012 through March 31, 2012, in detail and pointed out that water revenue for the current year was down in comparison with the same period last year. He indicated that although the operating expenses were below the budgeted amount, total operating expenses were higher than last year and total net operating income was less than last year due to the 2000 acre feet of untreated tier 1 water purchased and placed into Three Valleys Cyclic Storage Account . Mr. Henry answered questions posed by members of the Board requesting clarification of income and expense items included in the Statement of Operations and after an in depth discussion, a motion was made by Director Lewis and seconded by Director Bellah, to receive and file the Statement of Operations as presented. The motion was unanimously carried.

2.4

Review and Approve Rowland Water District's Quarterly Investment Report as of March 31, 2012

Mr. Henry summarized the report for the Board as of March 31, 2012, and noted that interest rates had remained very low during the past six months and that the bond portfolio average interest rate has remained constant at 2.42%. After discussion and explanation of the District's investments, a motion was made by Director Lewis, seconded by Vice President Lu-Yang, to receive and file the Quarterly Investment Report as presented. The motion was unanimously carried.

2.5

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

- ACWA Region 8 "What Lies Beneath? A Look at Groundwater in the Central Basin, June 1, 2012, 9:00 a.m. - 3:00 p.m. at the Water Replenishment District, Lakewood, CA

Staff was instructed to make reservations for Directors Lewis, Rios, Lu-Yang and Bellah for their attendance at the ACWA Region 8 Program on June 1, 2012.

- TVMWD Leadership Breakfast scheduled for June 7, 2012.
No further information on the program has been received by the District to date.

Tab 3 LEGISLATIVE INFORMATION

3.1

Updates on Legislative Issues

Director Bellah asked staff to advise which measures would have the greatest impact on the District. Staff advised that Senate Bill 1045 regarding metal theft is of particular interest since the District has experienced backflow assembly and meter lid thefts throughout the District. Director Lewis asked for the source of the legislative issues update and Mr. Deck advised that the District's lobbyist provides them to the District regularly.

Tab 4 REVIEW OF CORRESPONDENCE

None.

Tab 5 COMMITTEE REPORTS

5.1

Three Valleys Municipal Water District

Vice President Lu-Yang reported on her attendance at the April 18, 2012 meeting and advised that Three Valley MWD had adopted new water rates and charges for 2013. She also indicated that Three Valleys MWD is going to be a Founder Sponsor for the San Gabriel Valley Water Summit in September and will donate \$10,000.00. After this year, the Summit will be held annually during the month of May. President Lima reported on the Three Valleys' tour to the Cadiz Project which he attended with General Manager, Ken Deck, and indicated that there is a potential to introduce approximately 50,000 acre feet per year of water into the Colorado River Aqueduct through a 45-mile pipeline.

5.2

Joint Powers Insurance Authority

Nothing to report.

5.3

Association of California Water Agencies

Nothing to report.

5.4

Puente Basin Water Agency

Approve Puente Basin Water Agency 2012-2013 Budget

President Lima reported that the agency approved a budget for 2012-2013 and that each member agency now needs to approve the budget. Upon motion by Vice President Lu-Yang, seconded by Director Lewis, the Puente Basin Water Agency 2012-2013 Budget was unanimously approved. Director Lewis noted that the Puente Basin Water Agency is evolving as a clearing house to bring safe and reliable water to this region and provides the foundation for Rowland and Walnut Water Districts to work in partnership.

5.5

Project Ad-Hoc Committee

Nothing to Report. The next meeting is set for June 7, 2012 at 4:30 p.m.

5.6

Regional Chamber of Commerce

Vice President Lu-Yang reported that the Chinese Association Installation Dinner is scheduled for May 19, 2012, and the Chamber Installation Dinner is scheduled for June 28, 2012. The Green Expo has been re-scheduled to August 14, 2012. Director Lewis advised that the Government Affairs Committee will be dark during the month of May.

5.7

PWR Joint Water Line Commission

President Lima advised that the next meeting is scheduled for June 21, 2012.

5.8

Sheriff's Community Advisory Council

Nothing to report.

5.9

Rowland Heights Community Coordinating Council

Director Bellah indicated that there is on-going concern regarding the Edison Towers. Rowland Heights resident, Teri Malkin, advised that the Council had approved the building of the Community Center as originally planned.

Tab 6 ATTORNEY'S REPORT (Ms. Morningstar)

Nothing to report.

President Lima re-ordered the Agenda and moved Tab 8, items 8.1 through 8.3 to this point in the Agenda.

Tab 8 OTHER REPORTS, INFORMATION ITEMS AND COMMENTS

8.1

Public Relations

Mrs. Perea reported that the awards ceremony for the Video Contest will be held on May 10, 2012, at the Carolyn Owens Center, Chino, California, and that Teresa Ryan will be representing the District on her behalf. Nogales High School placed Second in the contest and will receive a \$400.00 cash prize, and Wilson High School received an Honorable Mention and will received a \$50.00 cash prize. Metropolitan Water District advised the District in mid-April that it had finally decided to hold the "Water Is Life" Poster Contest. We were able to collect 45 posters from schools within our District and will submit the top 10 to Metropolitan for judging by June 1, 2012.

8.2

Personnel Report

Nothing to report.

8.3

Engineer's Report

Nothing to report.

Tab 7 CLOSED SESSION

President Lima adjourned the meeting to closed session at 7:26 p.m. Legal counsel, Morningstar announced that the closed session was being held pursuant to Government Code Section 54956.8 in order to confer with the District’s negotiator concerning purchase of real estate.

a. Conference with Real Property Negotiator Pursuant to Government Code Section 54956.8

Property: Acquisition of Water Rights in the Central and Main San Gabriel Basins
District Negotiator: Ken Deck, General Manager
Negotiating Parties: Titan Terminal
Under Negotiation: Price and Terms

b. Conference with Real Property Negotiator Pursuant to Government Code Sec. 54956.8

Property: A Portion of the Parcel at 1015 Nogales Street, Rowland Heights, Ca APN# 8264-021-028
Negotiating Parties: John A. Rowland, Jr., Trustee
District Negotiator: Ken Deck, General Manager
Under Negotiation: Price and Terms of Sale

The closed session was adjourned and the Board resumed the meeting in open session at 7:30 p.m. The Board President reported that no action had been taken.

General Manager, Ken Deck, reported in open session that at the April 10, 2012 Board Meeting Closed Session the Board had instructed him as District Negotiator to accept the offer presented by Evolution Markets for the purchase of 365 acre feet of water rights from United States Gypsum Company in the Central Basin at a price of \$8,600.00 per acre foot and to proceed with the purchase through the Puente Basin Water Agency in partnership with Walnut Valley Water District. This purchase has been finalized and the matter is currently in escrow.

Directors’ and General Manager’s Comments

None.

Future Agenda Items

- Discussion of Central Basin and Water Replenishment District overlapping jurisdiction
- Discuss the extent to which Board members should be able to provide audio visual presentations at Board meetings

Late Business

None.

Next Special Meeting of the Board of Directors to be held on May 22, 2012.

Next Regular Board Meeting of the Board of Directors to be held on June 12, 2012

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 7:40 p.m.

ANTHONY J. LIMA
Board President

Attest: _____
KEN DECK
Board Secretary