



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

November 22, 2011 - 4:00 p.m.  
Location: District Office

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**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

**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 - ACTION ITEMS

### 1.1

#### **Approve Resolution No. 11.1-2011 Establishing New Water Rates Under Automatic Adjustment for Increase in Wholesale Water Cost**

Mr. Deck explained that Metropolitan Water District (MWD) is increasing their wholesale water rate by 7.5% effective January 1, 2012. 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. He explained that the amount by which the District's rates would increase was calculated as the amount of the MWD rate increase converted to a per hundred cubic feet (hcf) amount. The wholesale price per acre foot from MWD for Tier 1 water is increasing from \$744.00 to \$794.00 and the Three Valleys' pass through rate to RWD is \$793.00. With an increase of \$49.00 per acre foot divided by 435.6 cubic feet/per acre foot equates to \$0.11 cents per unit (hcf) increase in the retail rate which affects Level 1 and Level 2 of RWD's tiered rate structure. The wholesale price per acre foot from MWD for Tier 2 water is increasing from \$869.00 to \$920.00 and the Three Valleys' pass through rate to RWD is \$919.00. With an increase of \$50.00 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 which affects Level 3 of RWD's tiered rate structure.

A motion was made by Vice President Lu-Yang, seconded by Director Rios, to approve Resolution No. 11.1-2011 Establishing New Water Rates Under Automatic Adjustment for Increase in Wholesale Water Cost

Roll call vote.

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

Motion was passed by a vote of 5-0.

### 1.2

#### **Approve Resolution No. 11.2-2011 Concurring in the Nomination of Ronald S. Richard as a Member of the Board of Directors of the Association of California Water Agencies Health Benefits Authority**

Mr. Deck explained the purpose of the nomination and noted that it could be of benefit to the District to have local representation on the Board. It was staff's recommendation that the Board concur in the nomination of Ronald S. Richard as a Member of the Board of Directors of the Association of California Water Agencies Health Benefits Authority.

Upon motion by Director Lewis, seconded by Vice President Lu-Yang, Resolution No. 11.2-2011 was unanimously approved by the following roll call vote:

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

Motion was passed by a vote of 5-0.

### 1.3

#### **CLOSED SESSION**

- Conference with Legal Counsel – Existing Litigation  
(Subdivision (a) of § 54956.9)

Name of case: In re: IH 1, Inc. f/k/a Indalex Holdings Finance, Inc. etc., Debtors;  
George Miller, etc., Plaintiff vs. Rowland Water District, Defendant. Chapter 7

Case No: 09-10982 (PJW); Aversary No.: 11-51451 (PJW)

President Lima adjourned the meeting to closed session at 4:12 p.m. pursuant to Government Code Section 54956.9(a) in order to confer with the District's legal counsel, Janet Morningstar, regarding the above-captioned suit against Rowland Water District.

The Board of Directors met in closed session to discuss settlement of the Indalex suit.

The closed session was adjourned and the Board resumed the meeting in open session at 4:15 p.m. Legal counsel stated that no reportable action had been taken.

*Open session reconvened at 4:15 p.m.*

### 1.4

**Strategic Planning Workshop:** Establishment of Priorities in the Development of the District's Strategic Plan.

Mr. Deck facilitated the discussion on the Board's priorities in the development of the District's Strategic Plan. It was agreed that this workshop, as well as future workshops, will focus on a specific area and/or areas of development in order to set goals and develop a Board vision and/or strategy.

In connection with Board Development, the Board had a lengthy discussion with respect to tenure and how it applies to the positions of President and Vice President. It was the consensus of the Board that Director Lima continue in his role as President of the Board and that Director Lu-Yang remain as Vice President for the 2012 Calendar year. The Board agreed to discuss Board policy with respect to rotation and term limits at a future time.

In connection with the remaining strategy areas, the Board requested additional information with respect to the category entitled "Water Supply Availability, Reliability and Cost Initiative" in order to evaluate the potential for securing adequate and reliable water for the District, the financial impact of these long-term goals and the opportunities available to the District in this area.

**Directors' and General Manager's Comments**

None.

**Future Agenda Items**

Next Strategic Planning Workshop is scheduled for December 27, 2011, at 4:00 p.m.

**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 6:23 p.m.

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ANTHONY J. LIMA  
Board President

Attest: \_\_\_\_\_  
KEN DECK  
Board Secretary