



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

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**PLEDGE OF ALLEGIANCE**

**ROLL CALL OF DIRECTORS**

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

**ABSENT:**

**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  
Erin Gilhuly, CV Strategies  
Teri Malkin, Resident  
Harry Peterson, Resident

**ROWLAND WATER DISTRICT STAFF:**

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

**ADDITION(S) TO AGENDA**

None.

## **PUBLIC COMMENT ON AGENDA ITEMS**

### **Tab 1 - CONSENT CALENDAR**

Upon motion by Director Lewis, seconded by Director Lima, 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 January 8, 2013**

##### **1.2**

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

##### **1.3**

**Demands on General Fund Account for January 2013**

##### **1.4**

**Investment Report for January 2013**

##### **1.5**

**Water Purchases for December 2012**

Next Special Board Meeting:

February 26, 2013, 5:00 p.m.

Next Regular Board Meeting:

March 12, 2013, 6:00 p.m.

### **Tab 2 - ACTION ITEMS**

##### **2.1**

**Approve Directors' Meeting Reimbursements for January 2013**

Upon motion by Director Lima, seconded by Director Rios, the Directors' Meeting Reimbursement Report was approved as presented. The motion was unanimously carried.

##### **2.2**

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

Mr. Henry explained the report covering the period July 1, 2012 through December 31, 2012, in detail and noted that the main variance in the net income was the purchase and storage of the 2,000 acre feet of water and the payment of the first half of the debt issuance paid in November. The variance in the expenses is attributable to the newly created category entitled "Water Supply Planning and Development", formerly included in capital projects. Current year expenses were very close to the prior year's expenses for this period.

A motion was made by Director Lewis, seconded by Director Lima, to receive and file the Statement of Operations as presented. The motion was unanimously carried.

### 2.3

#### **Review and Approve Rowland Water District's Quarterly Investment Review as of December 31, 2012**

Mr. Henry summarized the report for the Board and noted the balances as of December 31, 2012, indicating that a very low interest rate environment still exists and appears to continue to go down. In addition Mr. Henry informed the Board that the District entered into an investment contract with Natixis Funding Corporation investing the one year annual debt service payment required to be held for the 2012 debt issuance. The money will be held for a period of five years at an interest rate of 1.253%. The revenue generated will help offset the annual debt payment.

A motion was made by Director Lima, seconded by Director Lewis, to receive and file the investment report as presented. The motion was unanimously carried.

### 2.4

#### **Approve Amendments to Puente Basin JPA Agreement**

Mr. Deck explained the changes made to the Agreement. Legal counsel, Janet Morningstar, provided her comments and members of the Board posed questions with respect to the language contained in the Amendments.

A motion was made by Director Lewis, seconded by Director Lima, to approve the Agreement as amended. The motion was unanimously carried.

### 2.5

#### **PBWA Resolution Authorizing the Issuance of Water Revenue Bonds (Walnut Valley Water District Project) and Authorizing the Execution of Related Agreements and Documents, and Directing Rowland Water District's PBWA Commissioners to Approve that Resolution**

Mr. Deck provided the Board with information in connection with the issuance of water revenue bonds on the Walnut Valley Water District project and advised that the purpose of this Resolution was to grant the District's PBWA Commissioners authority to approve the Resolution. Mr. Harry Peterson, Rowland Heights resident, requested clarification as to the purpose and breakdown of the \$20 million dollar amount. Mr. Deck advised that \$15 million is for water related projects and \$5 million is for the Walnut administration building.

A motion was made by Director Lewis, seconded by Director Lima, granting the District's PBWA Commissioners with the authority to approve the Resolution. The motion was unanimously carried.

### 2.6

#### **Discuss Payment Status of Hacienda Little League Customer Account**

Mr. Deck advised that this item was for information only. The account is for water service for a field on school district property and has had a history of delinquent accounts and leaving with unpaid balances from various Little League organizations. Due to the history of delinquencies and unpaid balances, and the dollar amount of the typical bill, the District has required a minimum of a \$5,000.00 deposit in order to establish service. Mr. Deck explained that another Little League Group requested service recently, but could not afford the \$5,000.00 deposit, so in lieu of the deposit the group was given the option of prepaying \$1,500.00 toward their account. In the event they do not maintain a credit balance the service will be discontinued. President Lu-Yang requested that the District keep a "paper trail" of its communications with the various Little League teams signing up for service.

## **2.7**

### **Approve District Participation in Two-Year Agreement with The Furman Group, Federal Lobbyist Firm**

Mr. Deck discussed the objective of entering into the Agreement in coordination with the Puente Basin Water Agency, advising that the purpose was to seek assistance in obtaining federal funding for a project that will serve to support and enhance water supply reliability. If successful this authorization could enable the District to receive grant funding of up to 75% of the cost of planning, designing and constructing the project. This is a two-year agreement with the Furman Group, at a cost of \$10,000 per month, to be split equally between Three Valleys Municipal Water District, Walnut Valley Water District and Rowland Water District, with an option to cancel within three months. Once participation is approved by all three parties, the Agreement with The Furman Group can be executed.

A motion was made by Director Lima, seconded by Director Bellah, to approved the Agreement and authorize the General Manager, Ken Deck, to execute the Agreement on behalf of the District. The motion was unanimously carried.

## **2.8**

### **Communications/Education Outreach Update**

Erin Gilhuly, CV Strategies, provided a communications strategies update and advised the Board that the final draft of the Strategic Plan will be presented to the Board for approval at the February 26, 2013 Special Board Meeting.

## **2.9**

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

- ACWA 2013 Legislative Symposium, March 5, 2013, Sacramento, CA  
Staff was instructed to register Director Lewis for the Legislative Symposium.

## **Tab 3 LEGISLATIVE INFORMATION**

### **3.1**

#### **Updates on Legislative Issues**

Nothing to report.

## **Tab 4 REVIEW OF CORRESPONDENCE**

Nothing to report.

## **Tab 5 COMMITTEE REPORTS**

### **5.1**

#### **Three Valleys Municipal Water District**

President Lu-Yang reported on her attendance at the Three Valleys MWD Board meeting held on January 23, 2013 and advised the Board that the Weymouth Treatment Plant will have a four-day shutdown from February 21 through February 25, 2013. Director Lima reported that Three Valleys MWD had approved their participation in the 2-year Agreement with The Furman Group, Federal Lobbyist Firm, and approved the cost sharing between Three Valleys MWD, Walnut Valley Water District and Rowland Water District.

## **5.2**

### **Joint Powers Insurance Authority**

Mr. Deck referred to the President's Award received from JPIA in the Property and Workers' Compensation Programs which was included in the Directors' packets and noted that the District was once again congratulated on the great job done and encouraged to keep up the good work.

## **5.3**

### **Association of California Water Agencies**

Nothing to report.

## **5.4**

### **Project Ad-Hoc Committee**

Director Lima reported that the next meeting will be held on March 1, 2013.

## **5.5**

### **Regional Chamber of Commerce**

President Lu-Yang reported that the HR Forums are on-going, that the State of the Chamber luncheon was well attended and that the Chamber Golf Tournament was continued to a future date not yet determined. Director Lewis reported that the Chamber Government Affairs meeting had been cancelled.

## **5.6**

### **PWR Joint Water Line Commission**

Nothing to report.

## **5.7**

### **Puente Basin Water Agency**

Director Lima reported that the next meeting will be held on February 14, 2013.

## **5.8**

### **Sheriff's Community Advisory Council**

Nothing to report.

## **5.9**

### **Rowland Heights Community Coordinating Council**

Director Bellah reported on his attendance at the February 11, 2013 meeting and noted that it was well attended by members of law enforcement and the Rowland Unified School District. It was reported that copper theft is an on-going problem and that State revenues are exceeding the budgeted amount. Director Rios reported that law enforcement has instituted a new program called the "Silver Alert" for seniors with dementia which is similar to the current Amber Alert. She also reported that the Department of Public Works is reconstructing several curbs and streets within the District to make them ADA compliant.

## **Tab 6 OTHER REPORTS, INFORMATION ITEMS AND COMMENTS**

### **6.1**

#### **Public Relations**

Mrs. Perea reported that the District's Public Affairs Representative attended two AWWA Water Use Efficiency Classes to gain better water knowledge and that she is progressing well in developing the District's education outreach programs. Staff met with the web designer in connection with the District website and the update process has commenced.

### **6.2**

#### **Personnel Report**

Nothing to report.

### **6.3**

#### **Engineer's Report**

Mr. Carrera reported that the District has issued the Notice to Proceed to its contractor, Brkich Construction, to commence the La Habra Pipeline Project on or before February 25, 2013. Mr. Deck reported that the District will be featured in a Honeywell Alarm Company case study focusing on the District's integrated security system. This study will be included in several security magazines and acknowledges the District's forward thinking in connection with its security needs.

## **Tab 7 ATTORNEY'S REPORT (Ms. Morningstar)**

Nothing to report.

## **Tab 8 CLOSED SESSION**

President Lu-Yang adjourned the meeting to closed session at 7:45 p.m. Legal counsel, Morningstar, announced that the closed session was being held pursuant to Government Code Section 54957 in connection with item e. below.

- a. Conference with Real Property Negotiator Pursuant to Government Code Section 54956.8  
Property: Purchase of Water Rights in the Central and Main San Gabriel Basins  
District Negotiator: Ken Deck, General Manager  
Negotiating Parties: Petersburg, L.P.  
Under Negotiation: Price and Terms
  
- b. Conference with Real Property Negotiator Pursuant to Government Code Section 54956.8  
Property: Lease of Water Rights in the Main San Gabriel Basin  
District Negotiator: Ken Deck, General Manager  
Negotiating Parties: Covina Irrigating Company  
Under Negotiation: Price and Terms

- c. Conference with Real Property Negotiator Pursuant to Government Code Section 54956.8  
 Property: Lease of Water Rights in the Main San Gabriel Basin  
 District Negotiator: Ken Deck, General Manager  
 Negotiating Parties: Sierra Water Group  
 Under Negotiation: Price and Terms
  
- d. 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
  
- e. Evaluation of Facilities Maintenance Worker Position Pursuant to Government Code Section 54957

Upon returning to open session, legal counsel reported that the Board took no reportable action in connection with this matter.

The closed session was adjourned and the Board resumed the meeting in open session at 8:00 p.m.

**Directors’ and General Manager’s Comments**

Director Lewis provided a written report on his attendance at the Water Reuse Tech Summit held in San Diego, January 29-30, 2013.

**Future Agenda Items**

None.

**Late Business**

None.

Next Special Meeting of the Board of Directors: February 26, 2013, 5:00 p.m.  
 Next Regular Meeting of the Board of Directors: March 12, 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 8:03 p.m.

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 SZU PEI LU-YANG  
 Board President

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