

CRESCENTA VALLEY WATER DISTRICT

REGULAR MEETING, BOARD OF DIRECTORS

May 3, 2011

Pursuant to the order of the Board of Directors of the Crescenta Valley Water District, made at the Adjourned Regular Meeting of April 19, 2011, a Regular Meeting was held on May 3, 2011, at 7:00 p.m. at the District office at 2700 Foothill Blvd., La Crescenta, California, with President Kathleen M. Ross presiding.

At roll call, the following Directors and staff members were present:

Directors:	James D. Bodnar Kerry D. Erickson Kenneth R. Putnam Kathleen M. Ross Judy L. Tejada
Attorney:	Thomas S. Bunn, III
General Manager:	Dennis A. Erdman
Secretary-Treasurer:	Ron L. Mitchell
District Engineer:	David S. Gould
Others Present:	Larry Byers, Plant Superintendent Christy Scott, Program Specialist Bryan Jones, Crew Supervisor Mark Hass, IT Manager Julian Lee, CIP Manager

PLEDGE OF ALLEGIANCE

President Ross opened the meeting by asking Director Bodnar to lead the Board and staff in reciting the Pledge of Allegiance.

ADOPTION OF AGENDA

Director Bodnar requested to add Resolution No. 699 to the Action Calendar regarding opposition of Senate Bill 34 which requires immediate attention and came to his attention after the posting of tonight's agenda.

It was moved by Director Tejada, seconded by Director Erickson and carried by a 5-0 vote that the Agenda for the Regular Meeting of May 3, 2011 be adopted as amended to add an Action Item as requested by Director Bodnar.

PUBLIC COMMENT

FOOTHILL MUNICIPAL WATER DISTRICT REPORT

Mr. Atwater reported that on April 30th FMWD announced the Foothill's California Friendly Garden Contest winners and he included photographs of their water native and drought tolerant landscape gardens. He reminded the Board that the budget workshop is scheduled for May 16, 2011 at 3:00 p.m.

CONSENT CALENDAR

It was moved by Director Putnam, seconded by Director Bodnar and carried by a 5-0 vote to approve the Minutes of the Adjourned Regular Board Meeting held on April 19, 2011 as presented.

ACTION CALENDAR

Resolution No. 699, Opposition of Senate Bill 34 – Mr. Mitchell asked for the Board’s consideration and motion to adopt Resolution No. 699 opposing Senate Bill 34, California Water Resources Investment Act of 2011. Director Bodnar explained that if SB34 should pass that retail water districts would pay a tax to fund water-related supply projects and it could cost the district up to \$500,000 per year that would ultimately result in a rate increase of \$100 per year per customer. He said the District would not benefit from this fee structure because the system cannot effectively redistribute the funds equitably back to the public. Mr. Mitchell provided a copy of Resolution No. 699 for the Board’s review.

Following discussion:

It was moved by Director Bodnar, seconded by Director Tejada and carried to adopt Resolution No. 699, opposition of Senate Bill 34 by the following roll call vote:

AYES:	Director Bodnar
	Director Erickson
	Director Putnam
	Director Ross
	Director Tejada
NOES:	None

Installation of an Aboveground Diesel Storage Tank, Project E-880 - Mr. Gould asked for the Board’s consideration and motion to award a contract to the lowest responsible bidder, Moine Brothers for the installation of an above ground diesel storage tank at the Glenwood Operations Facility at a cost of \$22,500. He provided a staff report which listed the results of the bid proposals along with background for the project and reminded the Board that on March 15, 2011 the Board authorized the General Manager to advertise for bids for this project and also found this project to be exempt from the provisions of the California Environmental Quality Act (CEQA).

Following discussion:

It was moved by Director Bodnar, and seconded by Director Tejada and carried by a 5-0 vote to award a contract to the lowest responsible bidder, Moine Brothers for the installation of an aboveground diesel storage tank, Project E-880 at a cost of \$22,500.

Fiscal Year 2010-11 Audit – Mr. Mitchell asked for the Board’s consideration and motion to renew the agreement for the District’s 2010-2011 audits to Charles Z. Fedak & Co. at a cost not-to-exceed \$24,880 and sign the Understanding of the Engagement letter outlining details of the audit. Mr. Mitchell provided a memorandum with background information and a copy of the letter which summarizes the significant terms of the audit for the Board’s review.

Following discussion:

It was moved by Director Bodnar, and seconded by Director Tejada and carried by a 5-0 vote to authorize the General Manager to renew the agreement for the 2010-11 audit to be performed by Charles Z. Fedak & Co. at a cost not-to-exceed \$24,880.

District Property at Pennsylvania/Encinal Avenues – Mr. Erdman asked for the Board’s discussion and possible motion regarding a request to purchase or lease all or part of the District owned lot at the corner of Pennsylvania and Encinal Avenues by the China Pearl Company. He provided a memorandum which gave the background regarding this matter for the Board’s review. After much discussion regarding different options for the use of land, President Ross authorized the General Manger to move forward in gathering additional information and return the details at a future board meeting.

Request for Finder’s Fee – Mr. Mitchell asked for the Board’s discussion and possible action regarding payment of a finder’s fee to Mr. Wayne Seminoff for unclaimed funds associated with a deposit placed with the courts to secure sewer easements in the 1970’s. After much discussion, it was decided by the Board not to take any action since the District has not entered into a written agreement nor have funds been recovered as of this date.

Discussion of Recent MWD Shutdown – Mr. Gould asked for the Board’s discussion regarding the recently concluded MWD water shutdown. Mr. Gould provided a summary of activities, water usage, and costs for the FMWD/MWD shutdown during March 18-28, 2011 for the Board’s review. President Ross thanked staff for their hard work during the shutdown.

Discussion on Budgeted vs. Actual Expenses Through March 31, 2011 – Mr. Mitchell asked for the Board’s discussion regarding budgeted vs. actual projections for revenue and expenses for through the end of March, 2011. Mr. Mitchell provided a report reflecting a detailed account of the District’s revenue and expenses for the nine month ending period for the Board’s review. After much discussion, Mr. Mitchell said he will provide a preliminary projections report for year-end at the next board meeting along with a request to use reserves to cover any potential shortage.

INFORMATION ITEMS

Information items included articles from San Luis Obispo.com and Contra Costa Times regarding increased water rates in spite of water conservation, an article from Dana Point Times about water and sewer rates increases, a Press Enterprise article concerning higher water and sewer rates for Jurupa residents, and a Marin Independent Journal article about water district officials raising water rates due to a water demand drop by 15 percent in the past two years. A letter from LAFCO regarding their 2011-12 proposed budget and a flier from the Water Education Foundation regarding an upcoming Bay Delta Tour on June 15, 2011 for anyone who might be interested.

WRITTEN COMMUNICATIONS TO DISTRICT

Three written items were received by the District; a notice from LAFCO regarding a vacancy of Alternate to the Public Member, a letter from ACWA JPIA regarding workers’ compensation, liability, and property risk assessment, and correspondence related to the opposition to Senate Bill 34.

REPORTS OF PERSONNEL

SECRETARY-TREASURER – Mr. Mitchell provided the Summary of Cash and Investment report which contained the following items:

Investment Portfolio Summary – as of May 3, 2011:

Cash Accounts	\$	49,324
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Great Pacific Securities	\$	154,882
Bond Debt Service Fund Acct	\$	359,363
Local Agency Investment Fund	\$	1,646,502
Federal Farm Credit (57)	\$	1,000,000
Federal Farm Credit (58)	\$	1,000,000
Federal Farm Credit (59)	\$	1,000,000
Federal Farm Credit (60)	\$	1,000,000
U.S. Treasury (61)	\$	1,000,000

Fund Balances at January 31, 2011

Water	\$	4,383,108.68
Wastewater	\$	3,564,408.65
Capital Improvement Fund	\$	957,609.21

Mr. Mitchell provided a Cash and Investment Report for the Board's review. He reported that the District sold U.S. Treasury (78) investment and the funds were deposited into Great Pacific Securities until an opportunity to reinvest arises. Mr. Mitchell said that the filing period for candidates for the three Board of Director positions which are due to expire at the end of the year will open on July 18, 2011 and close on August 12, 2011. He also reported that he will not be available to attend the next board meeting.

GENERAL MANAGER

Mr. Erdman reported that District employee Mr. Kellen Boyce celebrated his 9 years of service anniversary and congratulated Mr. Morgen DuRose who passed the Grade III Treatment exam.

DISTRICT ENGINEER

Water Production – For the period of April 1 through April 30, 2011 water production averaged **3,638,391** gallons per day, which is **17.1% less** than the daily average production of the same period in 2010. This is **22% less** from the daily average production of the previous five years over the same period and **24.8%** less than the Phase I conservation baseline from May 1, 2001 through April 30, 2001.

Rainfall: April 1 – April 30, 2011	0.02”
Season-to-date:	31.45”

Administrative and Field Operations – Mr. Gould provided a memorandum and discussed the following:

Rainfall Update – 7.34 March 2011; Rainfall total for 2010/ 2011 is 31.45”.

Report on Engineering:

Proposition 50 – Grant – No progress to report.

FMWD Issues – No report.

ULARA – City of Los Angeles revising cost sharing agreement – final review by Los Angeles.

La Canada Irrigation District Interconnection: Working on Interconnection Agreement.

Emergency Response Team (ERT) Meeting – No damage to report.

Report on Administrative and Field Operations:

Wells Status: Current well capacity – 4.0 MGD; Redesign Well No. 14 project – install new pump.

Booster Pumps: No report.

Construction Projects: Canyonside Storm Drain Culvert - complete.

Glenwood Nitrate Plant: Vessel 100 and 300 back into service until this summer. Next step is to inspect 200 and prepare specification for recoat interior; order new resin and the goal to pack on-line by September 30, 2011.

Water Quality: No report.

MTBE Update:

- MTBE levels in Well 7, Well 5, Mills, and MW4 below 1 ppb.

Field Maintenance and Operations update for April 1 - 30, 2011:

- Miscellaneous lateral leak and repairs: 2921 Orange Ave., 3041 Montrose Ave, 3214 Brookhill Ave., 2125 Bristow Ave., 4712 Glenwood Ave., 3035 Highridge Ave., 2300 Montrose Ave., 3337 Burritt Way, 2538 Teasley Ave., 2515 Orange Ave., 2959 Santa Carlotta Ave., 4545 La Crescenta Ave.
- SCADA/Telemetry System – No report.
- Sewer cleaning and videotape inspection: Continue cleaning and videotaping, sewer main within La Crescenta.

Next, Mr. Gould reminded Board Members and Mr. Bunn that the tour of District facilities is scheduled for Saturday, May 7th at 8:00 and will meet at the District Office.

WATER CONSERVATION

No report.

ATTORNEY

Mr. Bunn reported on a U.S. Supreme Court water rights case between states where Montana sued Wyoming over Yellowstone river rights. He said that due to a new improved sprinkler irrigation system which crops consumed more water and less of it seeps back into the river which resulted in less water flow over to the state of Montana for irrigators. The U.S. Court ruled that Wyoming irrigators are not taking more than their share of water from the river.

REPORTS OF COMMITTEES

Engineering Committee – Director Putnam reported that the Committee had not met; however a meeting will be scheduled as needed.

Finance Committee - Director Erickson reported that the Committee met on May 2, 2011 and said the groundwork for the Budget has been set and that a meeting will be scheduled soon. Director Bodnar discussed the budget and how it relates to reserves and rate increases and there was some discussion regarding pre-funding the District's OPEB liability through CalPERS to maximize interest earnings.

Employee Relations Committee – Director Putnam reported that the Committee met on April 26, 2011 and reported that this issue will be discussed in Closed Session tonight.

Policy Committee – Director Tejeda reported that the Committee met tonight and reported on several items that were discussed regarding the language for Drug/Alcohol Abuse and Harassment policies, property owner liability for renters that vacate with monies owed, a District policy concerning acquiring real estate, and a workman’s compensation report for the Board’s information.

Community Relations/Water Conservation Committee – Director Ross reported that the Committee met on Tuesday, May 3, 2011 and discussed the proposed budget for next year and reviewed a list community events provided by Ms. Scott that are inexpensive yet offer visibility for community relations.

DIRECTOR’S ORAL REPORTS

- Director Bodnar reported that the imported water supply is in good shape with State Water Project supply allocation at 80% and said demands are low statewide with full reservoirs. He mentioned that he held a water conservation class at Mountain Avenue School for his daughter’s 2nd grade class and shared lots of good information about where water comes from and said it was a positive event with help from Ms. Bellissimo. He also said that he will attend the FMWD budget workshop on May 16th, and thanked District staff for their hard work and would like to look into an employee recognition program for the near future.
- Director Erickson reported that he may cancel the ACWA conference he is scheduled to attend next week and said that if anyone is interested in taking his place to contact him or Mr. Mitchell.
- Director Putnam asked staff about the Urban Water Management Plan and wanted to confirm that deadlines are being met and encouraged staff to continue to move forward so that the report is available for community information.
- Director Ross said that with help from staff that her daughter’s friend passed the water treatment class and next she shared a draft thank you letter to GWP for help during the MWD shutdown.
- Director Tejeda suggested that the Board host an employee recognition thank you luncheon and also suggested that Directors consider volunteering in community events.

CLOSED SESSION

No reportable action.

ADJOURNMENT

There being no other business to come before the Board, at 10:39 p.m. it was moved by Director Putnam, seconded by Director Bodnar and carried that the meeting be adjourned to May 17, 2011 at 7:00 p.m.

APPROVED:

Kathleen M. Ross
President

Ron L. Mitchell
Secretary-Treasurer