

**A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
11310 VALLEY BLVD., EL MONTE, CALIFORNIA 91731
8:00 A.M. – FEBRUARY 1, 2011**

A regular meeting of the Board of Directors of the Upper San Gabriel Valley Municipal Water District was held in the office of the District, 11310 Valley Boulevard, City of El Monte, County of Los Angeles, State of California, within said Water District, on February 1, 2011 at the hour of 8:00 a.m.

ROLL CALL

DIRECTORS PRESENT: Robinson, Fellow, Treviño, Urias and Chavez.

DIRECTORS ABSENT: None.

STAFF PRESENT: Shane Chapman, General Manager; Reymundo Trejo, Assistant General Manager/Chief Engineer; E. Clarke Moseley, Legal Counsel; Steve Johnson, Consulting Engineer; Evelyn M. Rodriguez, Chief Financial Officer; Christy Hawkins, Executive Assistant; Elena Layugan, Conservation Coordinator; Peter Rodriguez, Community and Government Affairs Manager; Kenya Torres, Administrative Assistant.

OTHERS PRESENT

R.K. Brown, Ben Lewis, Jonathan Contreras, Bob Morales, Richard Rich, Brian Dickinson, Jim Byerrum, Dan Arrighi, Ken Tcheng, Dave DePinto, Barbara Carrera, James Prior, Chuck Shaw, Tony Zampiello, Nelson Martinez, Will Rapp, Stephen Millard and Chet Anderson.

ADOPTION OF AGENDA

On motion by Director Fellow and seconded by Vice President Urias, the agenda was unanimously accepted as presented.

PUBLIC COMMENT

None.

**APPROVAL OF MINUTES OF A
REGULAR MEETING OF THE
BOARD OF DIRECTORS HELD ON
JANUARY 18, 2011 AT 6:30 P.M.**

Director Fellow moved to approve the minutes of a regular meeting of the Board of Directors held on January 18, 2011 at 6:30 p.m. Vice President Urias seconded the motion.

Director Robinson stated that the statement made on page 11758 of the minutes regarding "water obtained at less than Tier-2 rates and no water transfer agreement would be executed unless water delivery is arranged," assumes no environmental and regulatory cost. He then expressed dismay at Action Items (b) and (c) being provided for Board evaluation minutes before the meeting.

The motion was unanimously approved.

**DEMANDS ON GENERAL FUND
ACCOUNT**

Director Fellow moved to approve and order paid demands number 16036 through 16055 on the General Fund Account of the Upper District at Citizens Business Bank, in the amount of \$219,487.90 and demands number 442 to 444 on the Water Fund Account at the same bank in the amount of \$1,007,012.86. Vice President Urias seconded the motion.

President Treviño asked that the Upper District representative works closely together with the San Gabriel Valley Economic Partnership (Economic Partnership) to acquire support on the water bond.

Director Fellow stated that he will work with the Economic Partnership on support for the water bond. He also stated that the Economic Partnership asked Upper District to upgrade its membership level.

The General Manager stated that the Economic Partnership is an important organization that offers different membership levels and that the benefits received are based on the membership level. He added that a written draft report from Troutman Sanders, LLP would be presented at the next Legislative and Government Affairs Committee meeting.

Director Robinson expressed concern that the Economic Partnership may not be a registered lobbyist.

The motion was unanimously approved with the exception of demands number 16048 and 16055 which were approved by the following vote:

AYES: FELLOW, TREVIÑO, URIAS, CHAVEZ
NOES: ROBINSON
ABSTAIN: NONE
ABSENT: NONE

16036	Void	Printer Error		0.00
16037	Xerox Corporation	Inv. 052514301, B&W, Copier Lease and/or Usage, December 2010	1,009.90	
		Inv. 113182575, Office Supplies	<u>581.13</u>	1,591.03
16038	Troutman Sanders LLP	Inv. 1324171, Retainer - January 2011		6,000.00
16039	County Sanitation Districts of Los Angeles County	Inv. 5308, 2011 Earth Day Sponsorship		3,000.00
16040	ACWA - HBA	Health Insurance Premium – February 2011		23,295.96
16041	La Opinion	Inv. 2090688, High Efficiency Toilet Giveaway Ad		1,219.00
16042	U. S. Postal Service	Inv. 1/12/11, Postage Meter Replenishment		759.50
16043	San Gabriel Valley Economic Partnership	Inv. 2614, 2011 Membership Dues		15,000.00
16044	West Payment Center	Inv. 822072496, Office Supplies		1,620.92
16045	Tetra-Tech, Inc.	Inv. 50409144, Water Recycling Project Phase IIB Package IA-Retrofits (<i>Board Approved 11/3/09</i>)		20,252.00
16046	Stetson Engineers, Inc.	Inv. 20288, Engineering Services, October 2010		
		General Engineering	7,297.68	
		Reclaimed Water/Direct Use Project	85,374.36	
		Urban Water Management Plan Update	411.15	
		South Pasadena Funding Assistance	636.25	
		District Building Alternatives	3,901.52	

		MWD Programs	3,884.19	
		Alternative/Independent Water Supply	<u>472.00</u>	101,977.15
16047	Vasquez & Company, LLP	Inv. 2011051-IN, Progress Payment for Audit of Financial Statements for the Year Ended June 30, 2010 <i>(Board Approved 04/07/09)</i>		12,000.00
16048	San Gabriel Valley Newspaper	Inv. 12/26/10, Public Information Inv. 12/31/10, Public Information	6,827.50 <u>2,827.50</u>	9,655.00
16049	Edward L. Chavez	Director's Compensation, January 2011 10 Days District Business Meeting/Travel Expenses/Allowance Less Deferred Comp. Less Taxes Withheld	2,000.00 403.60 (300.00) <u>(322.38)</u>	1,781.22
16050	Charles M. Treviño	Director's Compensation, January 2011 10 Days District Business Meeting/Travel Expenses/Allowance Less Deferred Comp. Less Taxes Withheld	2,000.00 8.00 (250.00) <u>(294.38)</u>	1,463.62
16051	Bryan Urias	Director's Compensation, January 2011 10 Days District Business Meeting/Travel Expenses/Allowance Less Deferred Comp. Less Taxes Withheld	2,000.00 403.60 (150.00) <u>(369.02)</u>	1,884.58
16052	State Street Bank & Trust	CalPERS Deferred Compensation, January 2011 Chavez Treviño Urias	550.00 500.00 <u>300.00</u>	1,350.00
16053	Upper San Gabriel Valley Municipal Water District Revolving Fund	Replenish Revolving Fund Account 1/16/11 - 1/31/11: Office Supplies Equipment Maintenance & Service Computer Systems/Equipment Meeting/Travel and Conference Liability/Property Insurance Dues/Assessments/Memberships Building Maintenance Telephone/Utilities Retirement Plan - Employees Water Conservation - Water Fest Water Recycling Project Phase IIA - Operation & Maintenance	180.61 145.67 4,220.29 1,267.00 125.00 831.00 2,525.00 633.61 421.20 223.65 <u>64.89</u>	10,637.92
16054	Void	Printer Error		0.00
16055	The Gualco Group, Inc.	Inv. 1/5/11, Retainer - December 2010		<u>6,000.00</u>
		TOTAL		<u>\$219,487.90</u>
442	San Gabriel Valley MWD	Invoice No. 404 for 41.10 AF of Water Delivered Through Alhambra/MWD Exchange Plan in December 2010 @ \$130 per AF		5,343.00
443	Metropolitan Water District of Southern California	Invoice No. 6897 for Water Delivered Through Service Connections in December 2010		998,362.10

444 Central Basin MWD

Invoice No. CB5916 for Purchase of 9.56 AF of Recycled Water in
December 2010

3,307.76

TOTAL**\$ 1,007,012.86****FINANCIAL STATEMENT**

None.

COMMITTEE REPORTS

Next scheduled committee meeting dates are as follows:

- (a) Water Policy – February 23, 2011 at 5:30 p.m.
- (b) Legal, Communications and Claims - to be determined.
- (c) Conservation and Education - to be determined.
- (d) Administrative – February 24, 2011 at 5:30 p.m.
- (e) Legislative and Government Affairs - to be determined.

**PRESENTATION AND DISCUSSION
REGARDING RESOLUTION NO. 2-11-488
HONORING AND COMMEMORATING
THE OUTSTANDING SERVICE AND
ACCOMPLISHMENTS OF TIMOTHY
C. JOCHEM**

The General Manager stated that Director Fellow would be speaking on behalf of Upper District at the memorial service to be held for Mr. Jochem on Saturday, February 5, 2011 in La Verne.

Director Fellow thanked the Chairman for renaming the Upper District's existing Watershed Restoration Program as the "Timothy C. Jochem Watershed Restoration Program" in honor of Mr. Jochem.

Director Fellow moved to approve Resolution No. 2-11-488, *Honoring and Commemorating the Outstanding Service and Accomplishments of Timothy C. Jochem*. Director Urias seconded the motion, which was unanimously approved.

RESOLUTION NO. 2-11-488

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT HONORING AND COMMEMORATING THE OUTSTANDING SERVICE AND ACCOMPLISHMENTS OF TIMOTHY C. JOCHEM

Reference is hereby made to Resolution No. 2-11-488 in Upper District's resolution file and, by this reference, the same is incorporated herein and made part hereof, as though here fully set forth at length.

**PRESENTATION AND DISCUSSION
REGARDING RESOLUTION
NO. 2-11-489 ENDORSING A
WATERSMART: WATER AND
EFFICIENCY GRANTS APPLICATION
FOR FISCAL YEAR 2010-11**

The General Manager discussed grant funding opportunities for the Upper District and the standard requirements associated with grant applications.

Vice President Urias moved to adopt Resolution No. 2-11-489, *Endorsing a WaterSMART: Water and Efficiency Grants Application for Fiscal Year 2010-11*. Director Fellow seconded the motion.

Director Robinson and the General Manager discussed the undetermined staff hours required on the project and the goal to meet deadlines for grant opportunities presented.

Director Robinson questioned whether the grant application would include increase in conservation tools and involve tasks that would add conservation as part of Santa Fe Dam's mission.

The Assistant General Manager stated that, typically, this type of project would involve an estimated \$5,000 to \$6,000 for the first steps of the effort with fifty percent of the cost shared by the agency. He also stated that the Upper District's goal is to, with the support of Stetson Engineers, Inc., obtain \$300,000 to \$1 million from this specific grant application prior to engaging in the environmental design and construction work.

The motion was unanimously approved.

RESOLUTION NO. 2-11-489

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT ENDORSING A WATERSMART: WATER AND ENERGY EFFICIENCY GRANTS FOR FISCAL YEAR 2011 APPLICATION, CONDITIONALLY ACCEPTING GRANT IF OFFERED, AND DESIGNATING A CONTRACT MANAGER AND FISCAL AGENT

Reference is hereby made to Resolution No. 2-11-489 in Upper District's resolution file and, by this reference, the same is incorporated herein and made part hereof, as though here fully set forth at length.

**PRESENTATION AND DISCUSSION
REGARDING AMENDMENTS TO
PACIFICA SERVICES, INC.'S
CONTRACTS FOR THE CITY OF
INDUSTRY WATER RECYCLING
PROJECT PHASE IIB PACKAGE
1A-CONSTRUCTION MANAGEMENT
AND PACKAGE 1B - COMMUNITY
OUTREACH; AND PACKAGE 1B-
CONSTRUCTION MANAGEMENT**

The General Manager provided a background of the existing recycled water contracts with Pacifica Services, Inc. (Pacifica) for the City of Industry Phase IIB Project. He discussed additional out of scope items related to the completion of Package 1A in the amount of \$31,220 and the need to provide a nine-month term extension for public outreach and construction management and inspection services for Package 1B.

Director Fellow moved to authorize the General Manager to execute the amendments to two contracts with Pacifica for construction management and inspection services for Package 1A in a not-to-exceed amount of \$31,220, and a nine-month term extension, through September 30, 2011, for provision of community outreach services and construction management services for Package 1B. Vice President Urias seconded the motion.

Director Robinson discussed the 72-hour notice requirement for posting agenda items for public review. He added that he feels it is unprecedented that public outreach is attached to the project. He then questioned the need for public outreach since such did not seem to have been required for past projects.

The General Manager stated that the City of West Covina asked for Upper District's support towards the public outreach effort for Package 1B, pertaining to the construction of a reservoir tank above a residential community in the West Covina area. He added that Pacifica's initial cost for the effort was about \$25,000 to educate the immediate public around the tank site regarding the nature of the project.

Director Robinson stated that he will vote no on the action item not because he is against the project but because of the limited time provided for Board review. He added that public outreach is a discretionary item in the budget. He requested that the matter be discussed at the appropriate committee for further review.

Mr. Shaw, General Manager for the San Gabriel County Water District, discussed projects forced into performing environmental impact reports because no public outreach was performed.

Mr. Brown discussed the general practice of adhering to the 72-hour requirement for posting of staff reports included on the agenda. He suggested tabling the matter to a future meeting for further review by the appropriate committee.

Vice President Urias and the General Manager discussed proper noticing of the item.

District Legal Counsel affirmed that Upper District met the Brown Act's notice requirement as the information was made available to the public at the same time it became available to the Board.

Mr. DePinto, a representative of DePinto Morales Communications, Inc., discussed the importance of public outreach to provide transparency between the public and the Upper District so that the residents have a better understanding of what could be expected for this type of project which is around a residential area.

The motion was approved by the following roll call vote:

ROBINSON:	NAY
FELLOW:	AYE
TREVIÑO:	AYE
CHAVEZ:	AYE
URIAS:	AYE

ITEMS REMOVED FROM CONSENT CALENDAR

Director Robinson requested to remove item (a) from the Consent Calendar for a separate vote.

The President accepted the removal of Consent Calendar item (a) for a separate vote.

Director Robinson commended President Treviño's farsightedness and fairness.

**RESOLUTION NO. 2-11-490
APPOINTING DIRECTOR URIAS AS
REPRESENTATIVE AND DIRECTOR
TREVIÑO AS ALTERNATE TO THE
SAN GABRIEL BASIN WATER
QUALITY AUTHORITY BOARD**

District Legal Counsel read aloud a code section of the Water Quality Act provided by Director Robinson stipulating that each member of the WQA Board shall hold office for a term of four years and until a successor is elected.

Director Robinson stated that he feels voting on the matter would violate the law.

Director Fellow moved to approve Resolution No. 2-11-490, *Appointing Director Urias as Representative and Director Treviño as Alternate to the Board of the San Gabriel Basin Water Quality Authority*. Vice President Urias seconded the motion, which was approved by the following roll call vote:

ROBINSON: NAY
FELLOW: AYE
TREVIÑO: AYE
CHAVEZ: NAY
URIAS: AYE

RESOLUTION NO. 2-11-490

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT APPOINTING A REPRESENTATIVE AND ALTERNATE TO THE BOARD OF THE SAN GABRIEL BASIN WATER QUALITY AUTHORITY

Reference is hereby made to Resolution No. 2-11-490 in Upper District’s resolution file and, by this reference, the same is incorporated herein and made part hereof, as though here fully set forth at length.

CONSENT CALENDAR

Director Robinson moved to approve Consent Calendar items (b) through (g). Director Fellow seconded the motion, which was unanimously approved.

- (b) Authorization to attend Central Basin Water Association’s Quarterly Membership Meeting on February 3, 2011 at the Rio Hondo Event Center in Downey, CA.
- (c) Authorization to attend California Groundwater Coalition’s “Water Resources Issues in Southern California” Conference on February 7, 2011 at the Hilton Airport Hotel in Ontario, CA.
- (d) Authorization to attend San Gabriel Valley Water Association’s Quarterly Luncheon Meeting on February 9, 2011 at the Swiss Park Restaurant and Banquet Center in Whittier, CA.
- (e) Authorization to attend Municipal Water District of Orange County’s Water Policy Forum and Dinner on February 24, 2011 at the Metropolitan Water District of Southern California in Los Angeles, CA.
- (f) Authorization to attend California Water Policy 20 on March 3-4, 2011 at the Wilshire Grand Hotel in Los Angeles, CA.
- (g) Authorization to attend Association of California Water Agencies (ACWA) 2011 Legislative Symposium on March 16, 2011 at the Sacramento Convention Center in Sacramento, CA.

INFORMATION ITEMS

The following items listed on the agenda for the information of the Board were read and ordered received and filed.

- (a) Press Releases - None.
- (b) Newspaper Articles.

ATTORNEY’S REPORT

District Legal Counsel reported that Metropolitan would be contacted regarding Central Basin Municipal Water District’s recent lawsuit.

ENGINEER'S REPORT

A detailed written Engineer's report on hydrologic conditions, including elevation impacts to the Baldwin Park key well, was provided to the Board.

GENERAL MANAGER'S REPORT

The General Manager provided an update on the proposed water transfer transaction with an undisclosed seller.

President Treviño and the General Manager discussed the possibility of having the San Gabriel Valley Municipal Water District assist in the water transfer.

Director Robinson and the General Manager discussed possible NEPA cost of water transfers.

The General Manager then stated that proposed Board and Committee meeting days and times to conduct District business and facilitate timely distribution of materials to the Board would be presented to the Administrative Committee at its next meeting.

President Treviño discussed the possibility of canceling the second meeting of the month if not enough items are available for Board consideration.

Director Robinson stated that if the number of meetings would be reduced and slow down District policy by half, then Directors' compensation should be cut in half as well.

Director Fellow stated that, a few years ago, the Board approved holding the second meeting of the month for workshops and that it would be canceled if there were not enough items for consideration.

METROPOLITAN REPORT

Director Fellow reported that Metropolitan's Committees will discuss the budget and that significant reductions could be expected, specially in conservation.

WQA REPORT

Director Chavez reported that WQA's Public Information/Education Committee and Legislative Committee meetings were canceled. He also reported that Mr. Ken Manning was unanimously appointed as the Executive Director for WQA.

WATERMASTER REPORT

Director Robinson reported that Watermaster will meet on Wednesday, February 3, 2011 at 2:30 p.m.

DIRECTOR'S COMMENTS

Director Robinson talked about an update, provided by scientists at a recent Economic Partnership conference he attended, on emerging water quality issues and the technology applied at the F.E. Weymouth Treatment Plant as well as the development of water industry related programs.

Director Fellow highly praised the Economic Partnership's conference and the benefits of being part of an organization that introduces major water technology. He also stated that the University of La Verne desires to become the center of Southern California in water research.

He then discussed attending a New Water Supply Coalition meeting held at Metropolitan's headquarters.

President Treviño commended the General Manager's efforts towards efficiencies within Upper District and urged the Board to think outside the box. He then requested to adjourn the meeting in memory of Mr. Timothy C. Jochem.

FUTURE AGENDA ITEMS

None.

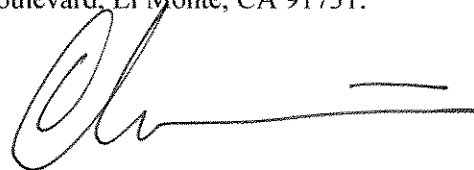
ADJOURN TO CLOSED SESSION

No closed session was held.

ADJOURNMENT

President Treviño asked if there were other business to come before the Board; there being none, the meeting was duly adjourned, in memory of Timothy C. Jochem, to a regular meeting of the Board of Directors to be held on February 15, 2011 at 6:30 p.m. at the Upper District offices, 11310 Valley Boulevard, El Monte, CA 91731.

ATTEST



PRESIDENT



SECRETARY



SECRETARY

SEAL