

**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. – JUNE 21, 2011**

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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 June 21, 2011 at the hour of 8:00 a.m.

**ROLL CALL**

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

**DIRECTORS ABSENT:** None.

**STAFF PRESENT:** Shane Chapman, General Manager; Reymundo Trejo, Assistant General Manager/Chief Engineer; Steven O’Neill, Legal Counsel; Jeff Helsley, Consulting Engineer; Evelyn M. Rodriguez, Chief Financial Officer; Christy Hawkins, Executive Assistant; Peter Rodriguez, Community and Government Affairs Manager; Kenya Torres, Administrative Assistant.

**OTHERS PRESENT** Stephen Millard, R. K. Brown, Jim Byerrum, Dan Arrighi, Ken Tcheng, Barbara Carrera, Jim Prior, Nelson Martinez, Chet Anderson and Larry Hubler.

**ADOPTION OF AGENDA** On motion by Director Fellow and seconded by Vice President Urias, the agenda was accepted as presented.

**PUBLIC COMMENT** Mr. Stephen Millard wished to comment regarding Action Item 5 (a), Consideration of Officers.

**CONSIDERATION OF OFFICERS** Vice President Urias moved to table the matter to a future Board meeting for discussion. Director Fellow seconded the motion.

Mr. Millard discussed the strategic plan developed in 2009 and expressed concern that the proposed reorganization gives the appearance that the Upper District is not adhering to the plan and is just dealing with political infighting.

The motion was approved by the following roll call vote:

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

**DISCUSSION REGARDING UPPER  
DISTRICT'S DRAFT FISCAL YEAR  
2011/12 BUDGET**

The General Manager reported that a workshop was held for producers regarding the Upper District's proposed budget. He then briefly discussed the Upper District's financial status and proposed budget for Fiscal Year 2011-12 including: operating expenses; capital outlays for the Recycled Water Project Phase IIB; and repayment of loans. He then discussed the new staff positions proposed in an effort to reduce professional fees and reliance on consultants. He also discussed the unfunded liability for other post employment benefits (OPEB) and Upper District's plan to address the issue.

Vice President Treviño and the General Manager discussed options to manage debt levels.

Director Robinson stated that he would dissent on the approval of the budget since he believes that foregoing proposed additional staff positions would put the Upper District in a worse position as far as OPEB is concerned. He explained that he has no objection to spending less on professional consultants but the savings need not be applied to increase full-time staff positions. He then stated that he believes about \$1 million was wasted by entering into a 5-year office lease and that he hopes the Upper District relocates back to its own facility soon. He reiterated that the Upper District's focus should be on Water Use Efficiency Programs that save real water.

Director Fellow and the General Manager discussed the conservation/community outreach position being part-time position.

Director Fellow moved to adopt the Upper District's Budget for Fiscal Year 2011-12 as presented. Vice President Urias seconded the motion which was approved by the following roll call vote:

<b>ROBINSON:</b>	<b>NAY</b>
<b>FELLOW:</b>	<b>AYE</b>
<b>TREVIÑO:</b>	<b>AYE</b>
<b>CHAVEZ:</b>	<b>AYE</b>
<b>URIAS:</b>	<b>AYE</b>

**DIRECTOR'S COMMENTS**

Director Robinson stated that he feels heartened by Watermaster's adoption of the Operating Safe Yield. He discussed the potential increase in drought risk management issues if the engineer's recommendation is ignored.

Director Fellow praised the Upper District's Fiscal Year 2010-2011 Annual Report. He stated that he feels disheartened by stories published on local newspapers regarding Central Basin Municipal Water District, which causes the water industry to appear appalling. He added that he hopes the Upper District is never on the front pages of any newspaper.

**FUTURE AGENDA ITEMS**

None.

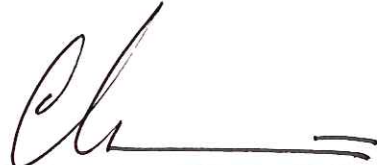
**ADJOURN TO CLOSED SESSION**

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 to a special/adjourned regular meeting of the Board of Directors to be held on June 28, 2011 at 6:30 p.m. at the Upper District offices, 11310 Valley Boulevard, El Monte, CA 91731.

**ATTEST**



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PRESIDENT



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SECRETARY



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SECRETARY

**SEAL**