

**MINUTES OF THE  
YORBA LINDA WATER DISTRICT  
BOARD OF DIRECTORS REGULAR MEETING  
March 13, 2008**

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The March 13, 2008 regular meeting of the Yorba Linda Water District Board of Directors was called to order by President Summerfield at 8:30 a.m. The meeting was held at the District's offices at 4622 Plumosa Drive, Yorba Linda.

**DIRECTORS PRESENT AT ROLL CALL**

John W. Summerfield, President  
William R. Mills  
Paul R. Armstrong  
Michael J. Beverage  
Richard P. Collett

**STAFF PRESENT**

Michael A. Payne, General Manager  
Arthur G. Kidman, General Counsel  
Kenneth R. Vecchiarelli, Asst. G.M.  
Lee Cory, Operations Manager  
Pat Grady, IT Director  
Amelia Cloonan, Executive Secretary

**INTRODUCTION OF VISITORS AND PUBLIC COMMENTS**

District residents who attended the meeting were:

Susan Janowicz            East Lake Village Homeowners Association  
Kathy Nock  
Jo Ann Gianetto  
Sharon Ray  
Gil Ficke  
Ed Norman  
Monica Stephens  
Nancy Victor  
Curt Wessen  
Janine Hanna  
Jim Grelle

**SPECIAL RECOGNITION**

IT Director Grady introduced Robyn Shaw, newly hired IT Tech II/Programmer.

Robyn Shaw left the meeting at 8:34 a.m.

**CONSENT CALENDAR (Items 1 through 6)**

On a motion by Director Beverage, seconded by Director Armstrong, the Board of Directors voted 5-0 to approve the Consent Calendar, with Director Collett abstaining from voting on Check No. 48474, Item 2.

1. Minutes of the Regular Board of Directors meeting held February 28, 2008.  
*Recommendation: Approve the minutes as presented.*

2. Payment of bills, refunds, and wire transfers.  
*Recommendation: Ratify and authorize disbursements in the amount of \$1,884,538.89.*
3. Consider two year extension to the Professional Services Agreement with Sacramento Advocates, Inc. for Legislative services.  
*Recommendation: Approve a two year extension to the Professional Services Agreement with Sacramento Advocates, Inc. with an effective date of March 13, 2008.*
4. Construction of the New District Administration Building.  
*Recommendation: Approve Progress Payment No. 12 in the net amount of \$662,640.50 to J.E. Grant General Contractors for construction of the New Administration Building, Job No. 200313.*
5. Declaration of Restrictive Covenants Agreement – 20091 Livorno Lane, Mr. & Mrs. James Sain.  
*Recommendation: Authorize the President and Secretary to execute the Declaration of Restrictive Covenants Agreement with Mr. & Mrs. James Sain, subject to approval as to form by General Counsel.*
6. Amendment to Construction Administration Services for New Administration Building.  
*Recommendation: Approve an amendment to the professional services agreement in the amount of \$69,396 with Gillis & Associates Architects, Inc. for additional Construction Administration, Construction Management and support services through project completion of the District's New Administration Building, Job No. 200313.*

Director Collett recused himself from the meeting during discussion of Item 7 because his residence is within the project boundaries.

### **ACTION CALENDAR**

7. Pressure Zone Reconfiguration and Sub-Zone Extension Projects. Assistant General Manager Vecchiarelli introduced the item. The homeowners and District staff have been working together, and the Water Master Plan study has been completed. Assistant General Manager Vecchiarelli explained what the process had been and the resulting analysis. The lots on the map in red had pressure dips below 40 psi during average day demand. The lots in yellow had 41-50 psi, and the lots in green had greater than 50 psi. Six alternatives were studied. Assistant General Manager Vecchiarelli gave an outline of the alternatives.

Staff looked at creating a new zone which would bring everyone into the "green". This would save hundreds of homeowners from having to install pressure regulators. Areas were created to maximize the loop in the District's system. Pipelines will be added. \$2.3 million is the estimate for this project. The final number will be known when the design is completed and bid. There is a one-year schedule in the plan for construction. Staff recommends moving forward

with the project. Pressure regulators were discussed for the homes that might need them under the new system.

Vice President Mills stated this item came before the Planning-Engineering-Operations Committee. The Committee supports staffs' recommendation.

*On a motion by Vice President Mills, seconded by Director Beverage, the Board of Directors voted 4-0 to receive and file the Zone Reconfiguration Study for Areas 1, 2 and 3 prepared by RBF Consulting and authorize staff to solicit proposals for the design of the combined projects identified as Alternative Six in this study, Job Nos. 200220 and 200710.*

Item 8 was pulled from the agenda and referred back to the Public Information-Technology Committee at the request of Director Beverage.

8. Consider changing the District's logo.

*Recommendation: That the Board of Directors authorize staff to continue to work with the Public Information Technology Committee on developing and implementing a new District logo.*

9. Consider 2008/09 Board of Directors Goals Workshop. General Manager Payne presented the report. Thursday, October 30 was selected as the date for the workshop. Vice President Mills mentioned the name of Ed Means as a possible facilitator, and General Manager Payne mentioned the MAP program facilitator, John Acampora.

Leon de los Reyes, Water Quality Engineer, entered the meeting at 9:03 a.m.

While staff was setting up for a Powerpoint presentation on Item 10, General Manager Payne asked Water Quality Engineer de los Reyes to give an informational update at this point in the agenda rather than under General Manager comments. General Manager Payne mentioned the news articles about prescription drugs being present in drinking water. Leon de los Reyes, Water Quality Engineer spoke. There were no customer calls generated from the articles. A handout was distributed to everyone present. Vice President Summerfield asked if the level of pharmaceuticals is related to the source of the water and the distance from the source. The answer was affirmative.

Diane Cyganik, Finance Director, and Sandi Van Etten, Senior Accountant, entered the meeting at 9:13 a.m. Leon de los Reyes left the meeting at 9:14 a.m.

## **DISCUSSION ITEMS**

10. 2008 Water Rate Presentation

General Manager Payne stated the Finance-Accounting Committee members requested the full Board view the 2008 Water Rate presentation.

At the conclusion of the presentation, General Counsel Kidman commented regarding water usage. Metropolitan Water District's program does involve significant penalties if agencies are unable to meet the target levels set. The formula at the wholesale level is complex. At the WACO meeting on Friday, there was a presentation on how the program works. Another issue is that the initial talk was they were going to initiate the program this year. MWDOC had been taking a passive approach. Matt Stone said on Friday they were going to try to work with the retailers. Met has 26 customers, MWDOC has 26-29 customers. The District has many thousands, and thus it is going to be difficult to figure out how to implement a program. How would the District pay for penalties if they are incurred? Are there Prop 218 notice requirements in order to establish a drought rate program? Is it fair to homeowners who conserve to pay a penalty because someone else uses a lot of water? How would you spread the cost? Lead time and possible variations in policy may be required. If it is a regulatory fee, it is not subject to Prop 218.

Director Beverage proposed working with the City of Placentia to implement conservation on their medians.

President Summerfield and General Manager Payne met last month with the City of Yorba Linda and were told the City is interested in conservation. Vice President Mills suggested that if we had sufficient information about what quantity of water is used on the medians, we could go to the City. Vice President Mills asked to continue this discussion to focus on water issues, allocations, cut backs and influencing the City to be more conservative.

President Summerfield stated it was his decision to have the Finance-Accounting Committee take another look at the water rate report. He asked if everyone believes the District is where it should be. The response from the Directors was affirmative.

It was agreed to schedule a workshop for Wednesday, April 2, 8:30 a.m. in the EOC Room at the Richfield Plant. Matt Stone should be invited to attend. The scope of the workshop will cover water allocation and conservation issues.

## **REPORTS, INFORMATION ITEMS AND COMMENTS**

### 11. a. President's Report

There was no report.

### b. Directors Reports

Director Armstrong posed a question about who will pay to move the fire hydrants involved when Lakeview is improved. Assistant General Manager Vecchiarelli said in the past the District has paid. In every case thus far, except subsurface, the District has had to pay. The District has not prevailed on above-ground appurtenances. General Counsel Kidman said it is a closer decision because it is street work being done.

Director Armstrong questioned a \$3,600 refund received in an individual District staff members name. The rebate refund was to the District, not the individual. The rebate was for the synthetic turf installed at the new administration building.

c. General Managers Report

Assistant General Manager Vecchiarelli gave an update on the building, which is on schedule, and the 18" pipeline in Bastanchury, which the District and Shapell are working on cooperatively.

New identification cards will be issued. A camera is set up, and Directors can have their photos taken today or sometime during the next two weeks.

Form 700 is due to the District by March 27.

The American Legion has requested use of the new administration building Boardroom for a function for 125 people to be held in July. Human Resources Manager Knight stated special events insurance would be required of groups and guidelines for use should be worked up and issued.

General Manager Payne also reported the District is gathering photos for a historic video. Ralph Shook, former General Manager, and past Board Member Art Korn, have been invited to participate in the discussion.

d. General Counsel's Report

General Counsel had nothing further to report at this time.

A recess was declared at 10:34 a.m. The Board reconvened in Open Session at 10:40 a.m.

## **COMMITTEE REPORTS**

12. a. **Executive-Administrative-Organizational Committee**

(Summerfield/Mills) *Alternate: Collett*

1) Meeting scheduled for March 18, 8:00 a.m.

b. **Finance-Accounting Committee**

(Mills/Beverage) *Alternate: Summerfield*

President Summerfield noted that henceforth the Committee assignment is adjusted to reflect Beverage/Summerfield as Committee members with Mills as alternate.

1) Minutes of meeting held March 11 will appear in the Board agenda for March 27.

Vice President Mills reported. The Committee discussed the selection of an independent audit firm, Diehl Evans, for fiscal years ending June 30, 2008-2010. A policy on disposition of unexpected refunds from outside agencies was also considered. The recommendation is to limit refunds to those from the 4-5 agencies identified and not worry about cost. Discussion items included: a monthly status report on portfolio investments ending February 29, 2008, the Investment Report for the month ending January 31, 2008, MWD, MWDOC & OCWD rate projections and the District's share of the property tax revenue.

2) Meeting scheduled for April 8, 4:00 p.m.

c. **Personnel-Risk Management Committee**  
(Armstrong/Collett) *Alternate: Summerfield*

1) Minutes of meeting held March 10 will appear in the Board agenda for March 27.

Director Armstrong reported. The Committee considered: the ACWA/JPIA Property Program Renewal Billing for April 1, 2008 through April 1, 2009, a claim filed by Travis Fordham, 17261 El Cajon Avenue and a claim filed by Larry & Diedre Goodnough, 22815 Hidden Hills Road. The District is self insured for automobiles. Highland Reservoir insurance is a question to be addressed. Director Collett commented the Committee members asked for clarification on a large claim and stated the District needs to look at catastrophic umbrella insurance. Discussion items included: a review of revisions to Personnel Rules, the status of recruitments, a summary of Workers Compensation and accidents and the status of Risk-Management activities.

2) Meeting scheduled for April 14, 4:00 p.m.

d. **Planning-Engineering-Operations Committee**  
(Mills/Armstrong) *Alternate: Beverage*

1) Meeting of March 6 was cancelled.  
2) Meeting scheduled for April 3, 4:00 p.m.

e. **Public Information Committee**  
(Collett/Beverage) *Alternate: Armstrong*

1) Meeting scheduled for March 4 was cancelled.  
2) Meeting scheduled for March 14, 4:00 p.m.  
3) Meeting scheduled for April 1, 4:00 p.m.

f. **Building Ad Hoc Committee**

(Beverage/Summerfield) *Alternate: Armstrong*

- 1) Minutes of meeting held March 3.

The committee visited the Boardroom and public areas and reviewed the audio visual system. Parking at the new administration building was also discussed as was a dedication plaque.

- 2) Meeting scheduled for March 20 was cancelled.
- 3) Meeting scheduled for April 17, 4:00 p.m.

g. **MWDOC Ad Hoc Committee**

(Mills/Beverage) *Alternate: Collett*

- 1) Minutes of meeting held February 26.

The Committee discussed the 2009 proposed Metropolitan rate packages, MET's Shortage Allocation Plan process, upcoming funding opportunities with respect to grant opportunities and request for proposals for the MWDOC Governance Study being conducted by LAFCO.

- 2) Meeting scheduled for April 22, 4:00 p.m.

h. **City of Placentia Ad Hoc Committee**

(Beverage/Payne)

- 1) The meeting held February 29 was reported on during the Board meeting. .

**INTERGOVERNMENTAL MEETINGS**

13. a. Yorba Linda City Council, March 4  
Vice President Mills reported the City Manager's salary is being discussed.  
The Black Gold Golf Course is not doing well.
- b. MWDOC/MWD Joint Workshop, March 5  
General Manager Payne reported water allocation was discussed.
- c. OCWD Board, March 5  
General Manager Payne reported they are beginning a budget process and discussing the replenishment assessment and basin production percentages.
- d. Yorba Linda Planning Commission, March 12  
Director Collett attended. Assistant General Manager Vecchiarelli commented that with the extension of the Casino Ridge development there are serious water issues needing to be addressed.

e. ACWA Legislative, Feb 26-28

Vice President Mills and Assistant General Manager Vecchiarelli attended the conference. Vice President Mills stated there was not a lot of support from our lobbying group. The Orange County group luncheon was poorly attended. The discussion on earmarks was led by John Campbell, who has pledged not to do earmarks. Loretta Sanchez pointed out earmarks amount to 2% of the budget, and these are the peoples' perks. She stated all of her earmarks have been transparent and for the good of the people. Ken Calvert attended and supported the ideas. John McCain has said he would veto any bill with an earmark.

Vice President Mills and Assistant General Manager Vecchiarelli met with staff of the two senators and with the congressmen.

The staff of our consultant was not high level, and he was disappointed that we did not have better support. They met with Congressman Miller. The "stag" program and a new authorization through the Warder Bill might be avenues. Congressman Miller is not on the Appropriations Committee but Congressman Calvert is.

**BOARD OF DIRECTORS ACTIVITY CALENDAR**

Authorization to attend meetings scheduled after March 13, 2008. Agenda is available in the District office prior to meeting.

**March 2008**

Executive-Admin-Organizational Committee, March 18, 4:00 p.m.	Summerfield/Mills
Yorba Linda City Council, March 18, 6:30 p.m.	Armstrong
MWDOC Board, March 19, 8:30 a.m.	Staff
OCWD Board, March 19, 5:00 p.m.	Staff
Building Ad Hoc Committee, March 20, 4:00 p.m.	Beverage/Summerfield
Yorba Linda Planning Commission, March 26, 7:00 p.m.	Summerfield
District Board Meeting, March 27, 8:30 a.m.	

**April 2008**

Public Information Committee, April 1, 4:00 p.m.	Collett/Beverage
Yorba Linda City Council, April 1, 6:30 p.m.	Mills
Board Workshop, April 2, 8:30 a.m., EOC Room, Richfield Plant	
MWDOC/MWD Joint Workshop, April 2, 8:30 a.m.	Staff
OCWD Board, April 2, 5:00 p.m.	Staff
Planning-Engineering-Operations Committee, April 3, 4:00 p.m.	Mills/Armstrong
WACO, April 4, 7:30 a.m.	
Finance-Accounting Committee, April 8, 4:00 p.m.	Beverage/Summerfield
Yorba Linda Planning Commission, April 9, 7:00 p.m.	Collett
District Board Meeting April 10, 8:30 a.m.	
Personnel-Risk Management Committee, April 14, 4:00 p.m.	Armstrong/Collett
Executive-Admin-Organizational Committee, April 15, 4:00 p.m.	Summerfield/Mills
Yorba Linda City Council, April 15, 6:30 p.m.	Armstrong
MWDOC Board, April 16, 8:30 a.m.	Staff

OCWD Board, April 16, 5:00 p.m.	<i>Staff</i>
Building Ad Hoc Committee, April 17, 4:00 p.m.	Summerfield/Beverage
MWDOC Ad Hoc Committee, April 22, 4:00 p.m.	Mills/Beverage
Yorba Linda Planning Commission, April 23, 7:00 p.m.	Summerfield
District Board Meeting, April 24, 8:30 a.m.	
District Board Tour, April 29, 8:30 a.m.	

**CONFERENCES AND SEMINARS**

14. Authorize attendance of Directors and such staff members of the District as approved by the General Manager to attend the following conferences and seminars.

- a. None

Director Beverage left the meeting at 11:07 a.m.

The Board of Directors adjourned to Closed Session at 11:07 a.m. Directors Armstrong and Collett and Vice President Mills and President Summerfield were present as were General Manager Payne, Assistant General Manager Vecchiarelli, Human Resources Manager Knight and General Counsel Kidman.

**ADJOURN TO CLOSED SESSION**

15. Public Employment (Pursuant to Government Code Section 54957) Title: General Manager.

16. Conference with Legal Counsel – Anticipated Litigation. Significant exposure to litigation pursuant to subdivision (b) of Government Code Section 54956.9: two cases involving employee discipline.

The Board of Directors reconvened in open session at 11:24 a.m.

**CLOSED SESSION REPORT**

There were no reportable actions taken in Closed Session.

**ADJOURNMENT**

On a motion by Director Collett, seconded by Vice President Mills, the Board of Directors voted to adjourn at 11:24 a.m. to a regular meeting of the Board of Directors scheduled for March 27, 2008, at 8:30 a.m., at 4622 Plumosa Drive, Yorba Linda 92886.

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Michael A. Payne  
Secretary