

**MINUTES OF THE  
YORBA LINDA WATER DISTRICT  
BOARD OF DIRECTORS REGULAR MEETING  
March 27, 2008**

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The March 27, 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  
Kenneth R. Vecchiarelli, Asst. G.M.  
Diane Cyganik, Finance Director  
Lee Cory, Operations Manager  
Pat Grady, IT Director  
Amelia Cloonan, Executive Secretary  
Cindy Mejia, Assistant Administrator

**INTRODUCTION OF VISITORS AND PUBLIC COMMENTS**

Brett Barbre, MWDOC Director  
Laer Pearce, Laer Pearce & Associates  
Ben Boyce, Laer Pearce & Associates  
Nitin Patel, Diehl, Evans & Company LLP  
Nancy Jamar, Alain Jamar Design

Brett Barbre distributed water supply information handouts. A snow pack test was done yesterday. There is concern about water conditions next year. Linda Ackerman was appointed to the Met Board. General Manager Payne stated a workshop is scheduled for next Wednesday. Kevin Hunt and Brian Thomas have been invited to attend.

**SPECIAL RECOGNITION**

Operations Manager Cory introduced Douglas Baker, newly hired Mechanic I.

Douglas Baker left the meeting at 8:33 a.m.

Arthur G. Kidman, General Counsel, entered the meeting at 8:34 a.m.

**CONSENT CALENDAR (Items 1 through 5)**

On a motion by Director Armstrong, seconded by Vice President Mills, the Board of Directors voted 5-0 to approve the Consent Calendar with Director Collett abstaining from voting on Check No. 48562, Item 2.

1. Minutes of the Regular Board of Directors meeting held March 13, 2008.  
*Recommendation: Approve the minutes as presented.*

2. Payment of bills, refunds, and wire transfers.  
*Recommendation: Ratify and authorize disbursements in the amount of \$1,330,278.13.*
3. Progress Payment for Construction of the Lakeview Reservoir.  
*Recommendation: Approve Progress Payment No. 10 in the net amount of \$485,267.22 to SSC Construction, Inc. for construction of the Lakeview Reservoir Project, Job No. 200704.*
4. ACWA/JPIA Property Program Renewal for April 1, 2008 through April 1, 2009.  
*Recommendation: Approve the ACWA/JPIA Property Insurance Renewal for April 1, 2008 through April 1, 2009 in the amount of \$30,505.*
5. Change Order for Construction of the New District Administration Building.  
*Recommendation: Approve Change Order No. 11 to J.E. Grant General Contractors in the amount of \$56,825.66 for construction of the New Administration Building, Job No. 200313.*

#### **ACTION CALENDAR**

6. Consider Selection of an Independent Audit Firm for Fiscal Years ending June 30, 2008-10. Finance Director Cyganik presented the report. The Finance-Accounting Committee supported the choice of Diehl, Evans & Company, LLP.

*On a motion by Director Armstrong, seconded by Vice President Mills, the Board of Directors voted 5-0 to authorize the General Manager to execute a Professional Services Agreement, subject to approval as to form by General Counsel, with Diehl, Evans & Company, LLP to perform the Independent Audit Services for the fiscal years ending June 30, 2008 through June 30, 2010, with options to extend up to two one-year periods.*

7. Consider updating the District's branding. General Manager Payne introduced the item and spoke about the changes that are happening at the District right now and the consideration that it would be a good time to update the District's logo and expand the branding concept. The Public Information-Technology Committee has been working on this along with the assistance of Nancy Jamar of Alain Jamar Design. Director Collett stated the Committee is working to narrow the focus of a new look for the District for the next hundred years. Ideas are still in the development phase.

Director Beverage stated he had not yet seen the new proposal, and there is no committee recommendation. The committee is not trying to do away with anything but looking to see if there is a new way to do something.

General Manager Payne stated the committee was not where the process started. He started the process, because if there is going to be changes to the branding, now is the time to do it. Signage is proposed at the new campus. A new web page, new stationery, new forms, etc. will be needed. The District video is being updated and

will incorporate the new building. A historic video is in the conceptual development phase. New District vehicles will need logos. General Manager Payne recommends that the District move forward. Vice President Mills agreed this is a good time to go forward with the process. Director Armstrong had no problem with agreeing to give staff direction. President Summerfield asked if we have a consensus to send this item back to committee.

Assistant Administrator Mejia spoke about the importance of having a strong brand. Director Beverage asked Nancy Jamar to leave the materials she brought today for the committee meeting next week.

Laer Pearce commented a lot of people confuse branding with the logo. The brand is the public's perception. The public trust in the District is the most important part of branding. He suggests taking advantage of the move.

President Summerfield considers it more important to do it right than to rush to get it done. General Manager Payne agreed. Director Armstrong wants to be able to consider what is contemplated before he is asked to make a final decision, and President Summerfield agreed.

*On a motion by Vice President Mills, seconded by Director Armstrong the Board of Directors voted 5-0 to refer this project to the Public Information - Technology Committee on developing and implementing improvements to the District's branding.*

Nancy Jamar left the meeting at 9:06 a.m.

8. Consider a Policy on Refunds from Outside Agencies. General Manager Payne recounted the history of this resolution. At the December 13, 2007 Board meeting, there was a water hearing. Additionally, a check from Municipal Water District was refunded to customers. It was suggested to develop a policy on refunds. The policy was presented to the Finance-Accounting Committee, and Board action is requested. Vice President Mills was a member of the committee and commented refunds are limited to the same agencies from which the District approved rate increase pass throughs. There is no consideration of cost to the District to give the refund. Staff did a good job of resolving how it is done as delineated in the resolution.

*On a motion by Vice President Mills, seconded by Director Collett, the Board of Directors on a Roll Call voted 5-0 to adopt Resolution No. 08-01, Resolution of the Board of Directors of the Yorba Linda Water District Adopting a Policy on The Disposition of Refund Checks.*

Brett Barbre left the meeting at 9:19 a.m.

## **DISCUSSION ITEMS**

### 9. State of California – Governor’s Budget for 2008-2009.

General Counsel Kidman spoke about plans to fight the taking of property tax revenues. There are good arguments, but it doesn’t mean the fight cannot be lost. At the ACWA Legislative Symposium in Sacramento yesterday, this was one of the main topics. The thought coming out of the symposium was that this is not likely to happen this year. General Counsel Kidman proceeded to cover the material outlined in the white paper prepared for this item. He spoke about Prop 1A and Prop 13 and what they mean for property tax allocations and explained what the process might be.

General Counsel Kidman stated he would like to be able to shop the white paper around. It appears ACWA is highly engaged politically. He asks permission from the Board to show the white paper and to develop arguments to say the State cannot do what they propose, and they cannot do it in the future. The District should be part of a group and pay its share. Director Beverage agreed the District should be on point. Vice President Mills asked if ACWA would take the lead? General Counsel Kidman is asking if the District wants him to be involved and if the District’s name should be on it? Director Beverage asked about front money? Vice President Mills said the bigger issue is the District’s \$1.2 million and bringing others in. He believes it would be good to have the District’s name as having developed the concept to go forward. We should ask our attorney to proceed. General Manager Payne wants to pass this on to Barry Brokaw at Sacramento Advocates to see what is going on there.

Director Beverage asked if the District would be billed if General Counsel Kidman meets with the other agencies. The reply was affirmative. Director Armstrong asked about trying to develop something to stop all attacks on the property tax revenue. Laer Pearce believes ACWA will work to put a coalition together. There was some discussion about refusing property tax revenues.

*On a motion by Vice President Mills, seconded by Director Armstrong, the Board of Directors voted 5-0 to authorize General Counsel Kidman to go ahead and distribute the white paper while keeping Yorba Linda Water District’s name on the white paper.*

Blair Giboney of Foss Consulting Group entered the meeting at 9:55 a.m.

A recess was declared at 10:01 a.m.

The Board of Directors adjourned to Closed Session at 10:12 a.m. All Directors were present. Also present were General Manager Payne, Assistant General Manager Vecchiarelli, General Counsel Kidman and Blair Giboney.

### **ADJOURN TO CLOSED SESSION**

14. Conference with Legal Counsel regarding existing litigation to which the District is a party (Justification for Closed Session is Government Code Section 54956.9(a)). Stuart Glenn vs. City of Yorba Linda and Yorba Linda Water District, Orange County Superior Court Case No. 06CC00083.
  
15. Conference with Real Property Negotiator (Justification for Closed Section is Government Code 54956.8)
  - Property: Possible sale of 4622 Plumosa Dr., Yorba Linda, CA
  - Agency Negotiator: Michael A. Payne
  - Negotiating Parties: To be determined
  - Under negotiation: Establish offering terms
  
16. Public Employee Performance Evaluation [Government Code Section 54957] Title: General Manager.

The Board of Directors reconvened in open session at 11:53 a.m. General Manager Payne, General Counsel Kidman and Executive Secretary Cloonan rejoined the meeting. Assistant General Manager Vecchiarelli was also present.

### **CLOSED SESSION REPORT**

There were no reportable actions taken in Closed Session.

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

10. a. President's Report
  - There was no report.
  
- b. Directors Reports
  - There were no reports.
  
- c. General Managers Report
  1. OCWD Annexation
    - The District is still working on this annexation and also working with a consultant to develop a description for a shallow well project. Santa Ana is considering a shallow well project.

The LAFCO issue is on hold.

Programmatic EIR is still a problem for a lot of agencies, because the document is out of date. General Manager Payne has met with the cities of Santa Ana, Anaheim, Huntington Beach and a private water company, Golden State Water. No one is opposed to YLWD moving forward. There was some further discussion.

General Manager Payne spoke with Bob Dominguez of the City of Placentia requesting a ribbon-cutting ceremony for the opening of Miraloma Avenue. They came up with April 29 for that event at 8:30 a.m.

- d. General Counsel's Report  
There was no report.

### **COMMITTEE REPORTS**

#### 11. a. **Executive-Administrative-Organizational Committee** (Summerfield/Mills) *Alternate: Collett*

- 1) Minutes of meeting held March 18.

The Committee discussed: the Plumosa office appraisal, grant applications and the attendance by Vice President Mills and Assistant General Manager Vecchiarelli at the ACWA Legislative Conference held in Washington, D.C. in February. An update on was received from Barry Brokaw of Sacramento Advocates. General Manager Payne reported on investments. The Committee also discussed support of candidates for positions related to the interests of the District's customer base.

- 2) Meeting scheduled for April 15, 4:00 p.m. at 1717 Miraloma, Placentia. Director Collett will substitute for Vice President Mills.

#### b. **Finance-Accounting Committee** (Beverage/Summerfield) *Alternate: Mills*

- 1) Minutes of meeting held March 11.

The Committee discussed the selection of an Independent Audit firm for fiscal years ending June 30, 2008-2010. A policy on the disposition of refunds from outside agencies, which was continued from the Board meeting of February 28, 2008, was considered. A monthly status report on portfolio investments ending February 28, 2008 was presented as was a monthly status report on portfolio investments ending January 31, 2008. MWD, MWDOC and OCWD rate projections were reported on. The ACWA State Budget Alert was shared with the Committee members.

Minutes of meeting held March 25.

President Summerfield reported the Committee members met by phone with Wells Capital. Their recommendation is that when the securities come due they should be sold. Director Beverage explained the different options that were offered. Wells Capital will watch the securities for the next couple of weeks. General Manager Payne reported that he has directed staff to pull all funds from the Orange County commingled funds.

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

Director Collett left the meeting at 12:14 p.m.

c. **Personnel-Risk Management Committee**

(Armstrong/Collett) *Alternate: Summerfield*

- 1) Minutes of meeting held March 10.

Action items considered by the Committee included: the District's ACWA/JPIA Property Insurance Renewal policy, the claim filed by Travis Fordham of 172 61 El Cajon Avenue and the claim filed by Larry & Diedre Goodnough of 22815 Hidden Hills Road. The committee reviewed the first draft of personnel rules. Information on the status of recruitments and new hires was presented.

- 2) Meeting scheduled for April 14, 4:00 p.m. at 1717 Miraloma, Placentia.

d. **Planning-Engineering-Operations Committee**

(Mills/Armstrong) *Alternate: Beverage*

- 1) Meeting scheduled for April 3, 8:30 a.m.

e. **Public Information Committee**

(Collett/Beverage) *Alternate: Armstrong*

- 1) Minutes of Meeting held March 14.

The Committee discussed a new District logo and District branding.

- 2) Meeting scheduled for Monday, March 31, 4:00 p.m.

e. **Building Ad Hoc Committee**

(Beverage/Summerfield) *Alternate: Armstrong*

- 1) Meeting scheduled for April 17, 4:00 p.m. The meeting will be held only if items come up, e.g. final change orders.

f. **MWDOC Ad Hoc Committee**

(Mills/Beverage) *Alternate: Collett*

- 1) Meeting scheduled for April 22, 4:00 p.m. at 1717 Miraloma, Placentia.

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

(Beverage/Payne)

- 1) Meeting to be scheduled.

**INTERGOVERNMENTAL MEETINGS**

- 12. a. Yorba Linda City Council, March 18  
Paul Armstrong attended. The mayor announced the City Council terminated the contract of the city manager for undisclosed reasons. General Manager Payne said the Highland Reservoir and the issue of horses crossing the District's property will be added to the next PEO Committee agenda.
- b. MWDOC/MWD Joint Workshop, March 19 (Staff)  
No one attended.
- c. OCWD Board, March 19 (Staff)  
The OCWD draft budget was discussed.
- d. Yorba Linda Planning Commission, March 26  
President Summerfield did not attend. Apparently they discussed the flow charts for the Planning Commission review of traffic.

**BOARD OF DIRECTORS ACTIVITY CALENDAR**

Authorization to attend meetings scheduled after March 27, 2008. Agenda is available in the District office prior to meeting.

**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.	Staff
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.	

**May 2008**

Planning-Engineering-Operations Committee, May 1, 4:00 p.m.	Mills/Armstrong
WACO, May 2, 7:30 a.m.	
Public Information Committee, May 6, 4:00 p.m.	Collett/Beverage

Yorba Linda City Council, May 6, 6:30 p.m.	Mills
MWDOC/MWD Joint Workshop, May 7, 8:30 a.m.	Staff
OCWD Board, May 7, 5:00 p.m.	Staff
District Board Meeting, May 8, 8:30 a.m.	
Personnel-Risk Management Committee, May 12, 4:00 p.m.	Armstrong/Collett
Finance-Accounting Committee, May 13, 4:00 p.m.	Beverage/Summerfield
Yorba Linda Planning Commission, May 14, 7:00 p.m.	Collett
Executive-Admin-Organizational Committee, May 20, 4:00 p.m.	Summerfield/Mills
Yorba Linda City Council, May 20 18, 6:30 p.m.	Armstrong
MWDOC Board, May 21, 8:30 a.m.	Staff
OCWD Board, May 21, 5:00 p.m.	Staff
District Board Meeting, May 22, 8:30 a.m.	
Yorba Linda Planning Commission, May 28, 7:00 p.m.	Summerfield

### **CONFERENCES AND SEMINARS**

13. 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

### **ADJOURNMENT**

On a motion by Director Beverage, seconded by Director Armstrong, the Board of Directors voted 4-0 to adjourn at 12:24 p.m. to a regular meeting of the Board of Directors scheduled for April 2, 2008, at 8:30 a.m., at 913 Richfield Road, Placentia, CA 92870

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Michael A. Payne  
Secretary