



Minutes of the Special Meeting of
the Board of Directors of the Rowland Water District

October 27, 2020 – 5:00 p.m.
Location: District Office

PLEDGE OF ALLEGIANCE

ROLL CALL OF DIRECTORS

President Robert W. Lewis
Vice President Teresa P. Rios
Director Szu Pei Lu-Yang
Director Anthony J. Lima
Director John Bellah

ABSENT:

None.

OTHERS PRESENT:

Joseph P. Byrne, Legal Counsel, Best Best & Krieger
Erin Gilhuly, CV Strategies
Jody Roberto, Director, Three Valleys Municipal Water District

ROWLAND WATER DISTRICT STAFF:

Tom Coleman, General Manager
Dave Warren, Assistant General Manager
Rose Perea, Director of Administrative Services
Dusty Moisio, Director of Operations
Myra Malner, Director of Finance
Brittnie Van De Car, Public Affairs Representative

ADDITIONS TO THE AGENDA/PUBLIC COMMENT ON NON-AGENDA ITEMS

None.

COMMENTS:

None.

Tab 1 ACTION ITEMS

1.1

Board Workshop – Rate Structure Overview

Director of Finance, Myra Malner, presented an overview of the five-year Rate Structure/Model approved by the board in 2017. The five-year Rate Model approved by the board set forth a five percent (5%) rate increase scheduled to go into effect in January 2021 for all customers of the District. Mrs. Malner reviewed with the board the District's current financial reserves and obligations. She also shared her estimates of where she anticipates the finances of the District will be over the next several years. In light of the financial circumstances brought about by COVID-19 on our customer base and based upon this information, it is staff's recommendation to not increase the District's service charge rate by five percent (5%) in January 2021. All other increases approved by the board in the 2017 Rate Structure/Model will still go into effect as of January 2021. It was the consensus of the Board to bring this matter back for discussion and further action at the November Board meeting.

1.2

GASB 68 and GASB 75 Updates

GASB 68 which includes the accounting for pension plan obligations and GASB 75 which includes the accounting for other post-employment benefits were discussed. Director of Finance, Myra Malner, provided the board with an overview of the current actuarial that was just completed for GASB 75 the District's Pars Trust Account for Other Post-Employment Benefits (OPEB). According to the information provided by Mrs. Malner, if the District were to make a one-time additional contribution of \$1,000,000.00, the Trust account would be over ninety percent (90%) funded. It is the recommendation of staff to make this contribution in addition to the already annual budgeted contribution of \$420,000.00. It was the consensus of the Board to include an action item on the November Agenda to consider the additional one-time contribution of \$1,000,000.00 to the PARS Trust contributions.

1.3

Project Overview and Funding Needs

General Manager, Tom Coleman, advised the Board that Due to COVID-19 and the Governor's executive order in connection with the non-payment of water bills, several items were removed from the approved Budget and have been held in suspension. Mr. Coleman informed the board that the District's customers have been doing very well in keeping current on payment of their water bills. Owing to this fact, the District's financial position has not changed much due to the COVID-19 Pandemic. Therefore, staff is requesting the board's consideration of the allocation of the funds for certain system capital improvement projects that were held in suspension. It was the consensus of the Board to add these items for further discussion and action on the November Agenda.

1.4

Approve Change of Meeting Date from November 10, 2020 to November 17, 2020

Upon motion by Director Lima, seconded by Director Rios, the Board approved the change of meeting date from November 10, 2020 to November 17, 2020, as follows:

Ayes: Directors Lewis, Rios, Lima, Lu-Yang and Bellah
Noes: None
Abstain: None
Absent: None

1.5

Discussion of Upcoming Conferences, Workshops, or Events (Including Items that May Have Arisen after the Posting of the Agenda)

- ACWA Region 8 Virtual Meeting, November 3, 2020

Staff was asked to make a reservation for Director Lewis’ attendance by teleconference.

1.6

CLOSED SESSION

A closed session on the items listed below was not necessary.

- a. **CONFERENCE WITH LEGAL COUNSEL—
Existing Litigation Paragraph (1) of subdivision (d) of
Government Code Section 54956.9
Name of Case: Rowland Water District vs. La Habra Heights County Water District
Case No. KC070088**

- b. **Conference with Real Property Negotiator Pursuant to
Government Code Section 54956.8**
Property: 18938 Granby Place, Rowland Heights, CA 91748
District Negotiator: Tom Coleman, General Manager
Negotiating Parties: Mark I. Chen Revocable Living Trust dated 9-8-17
Under Negotiation: Price and Terms

- c. **Conference with Real Property Negotiator Pursuant to
Government Code Section 54956.8**
Property: Portion of Property Located at
804 S. Azusa Ave., City of Industry, CA
District Negotiator: Tom Coleman, General Manager
Negotiating Parties: City of Industry

General Manager’s and Directors’ Comments

None.

Future Agenda Items

- Review water rate structure: Discuss the fixed rate to become effective January 1, 2021
- Discuss additional PARS Trust contribution
- Project overview and funding needs:
 - Additional funding for patio storage building
 - Distribution System – additional capital funding
 - Staffing Needs – Discuss the addition of an additional Maintenance I position

Late Business

None.

Next Regular Board Meeting

November 17, 2020, 5:00 p.m.

A motion was made by Director Lima, seconded by Director Rios, and unanimously carried to adjourn the meeting. The meeting was adjourned at 6:27 p.m.

ROBERT W. LEWIS
Board President

Attest: _____
TOM COLEMAN
Board Secretary