WALNUT VALLEY WATER DISTRICT

BOARD OF DIRECTORS

Allen L. Wu
President
Election Division I

Edwin M. Hilden
First Vice President
Election Division II

Theodore L. Ebenkamp
Second Vice President
Election Division IV

Scarlett P. Kwong
Assistant Treasurer
Election Division V

Ling Ling Chang
Director
Election Division III

STAFF

Michael K. Holmes
General Manager
Secretary

Erik Hitchman
Assistant General Manager
Chief Engineer

Shawna Whallon
Treasurer

LEGAL COUNSEL

H. Jess Senecal

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September 18, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

SUBJECT: Approve Amended Bylaws
First, Fourth, and Fifth Supervisorial Districts Affected
(3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

Approve, as stipulated under California Water Code §35305, the Bylaws of the Walnut Valley Water District ("District") as amended by unanimous (5-0) vote of its Board of Directors at an adjourned regular meeting held July 23, 2008. There is no fiscal impact. Subject to approval of the Board of Supervisors and filing with the Los Angeles County Recorder, the effective date of these Bylaws is December 15, 2008.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The District's Bylaws were amended to allow the option to designate officers in addition to the President and Vice President (Section 3 and 6), to stipulate that the General Manager and/or the Assistant General Manager shall attend all committee meetings (Section 9), and to simplify the process for the restructuring of the District's committees and duties (Section 9). A copy of the Bylaws with the amendments identified in red text is attached to this request.

FISCAL IMPACT/FINANCING

Not Applicable

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

California Water Code §35305 states that, "The by-laws may also be amended by a four-fifths vote of the directors and approval of the board of supervisors of the principal county of the district." The bylaws, together with the approval of the board of supervisors, shall then be filed with the County Recorder. Pursuant to the provisions of California Water Code § 35302, after receiving approval of your Board, the District's Board of Directors will adopt the revised Bylaws, in the form so approved, by resolution, and, pursuant to California Water Code § 35306, will then certify and record the revised Bylaws.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

No negative impact on current services. The modifications to permit flexibility in designating officers and setting committee structure and duties are intended to establish a more efficient reorganization process for the District. These modifications to the Bylaws will allow the Board to make adjustments to officer assignments and committee structure without the need to amend the Bylaws. Additionally, stipulating that the General Manager and/or the Assistant General Manager shall attend all committee meetings will enable to committee process to continue without the need to reschedule should the General Manager be unavailable. These changes were discussed at a public meeting on July 23, 2008, which was duly posted and noticed. No public comments were received in this regard and Board meetings are currently being held at 6:00 p.m. to encourage public participation.

CONCLUSION

1. Return the adopted stamped copy to:

   Michael Holmes
   General Manager
   Walnut Valley Water District
   271 S. Brea Canyon Road
   Walnut, California 91789

2. Two certified copies of the Board Order or resolution requested.

Respectfully submitted,

Michael Holmes
General Manager
Walnut Valley Water District

Attachments (1)
cc: Chief Administrative Officer
County Counsel

BYLAWS
FOR THE GOVERNANCE AND CONDUCT OF THE AFFAIRS

OF

WALNUT VALLEY WATER DISTRICT
271 South Brea Canyon Road
Walnut, California 91789

These Bylaws for the governance and conduct of the affairs of Walnut Valley Water District are adopted by the Board of Directors of Walnut Valley Water District ("District") under the authority of Division 13 of the Water Code of the State of California.

ARTICLE I
ELECTIONS

Section 1. Voting.

Voting in the District election shall be by registered voters residing in the District.

Section 2. Timing and Conduct of Election.

The time, conduct and contest of all elections shall be in accordance with the provisions of the Uniform District Election law and the California Water District Law.

Section 3. Divisions.

For the purpose of election of Directors, the District shall be divided into five divisions, each of which shall be substantially equivalent in population.

ARTICLE II
DIRECTORS AND OFFICERS

Section 1. Number of Directors.

There shall be five members of the Board of Directors.

Section 2. Qualifications.

Members of the Board of Directors shall be registered voters residing within the Division from which they are elected.

Section 3. Designation of Officers.

The District officers shall be a President, ~~and~~ Vice-President*(s)*, Secretary, and Treasurer, *and such other officers as may be* elected and appointed by the Board *from time-to-time*. The Board of Directors may employ agents and consultants as required and may prescribe their duties and tenure.

Section 4. Powers and Duties of Directors.

The Board of Directors shall have such powers as granted and duties as imposed under the provisions of Division 13 of the California Water Code.

Section 5. Duties of Officers.

The duties of the officers shall be as follows:

A. President.

The President shall preside at all meetings of the Board of Directors and shall exercise and perform such other powers and duties as provided in the California Water District Law, the Bylaws and as assigned or delegated to the President from time-to-time by the Board of Directors.

B. Vice-President(s).

In the absence or disability of the President, the First Vice-President shall perform all of the duties of the President and when so acting, shall have all of the powers and be subject to all of the restrictions imposed upon the President. The First Vice-President shall have such other powers and perform such other duties as from time-to-time may be prescribed by the Board of Directors or the President.

C. Secretary.

The Secretary shall keep or cause to be kept at the office of the District a book of minutes of all meetings, workshops, and actions, except closed session meetings and actions, of the Board of Directors. The Secretary shall give or cause to be given notice of all meetings required to be given and shall have such other powers and perform such other duties as may be prescribed by the Bylaws or the Board of Directors.

D. Treasurer.

The Treasurer shall keep and maintain or cause to be kept and maintained adequate and correct books and records of the accounts of the property and the business transactions of the District, including accounts of its assets, liabilities, receipts and disbursements. The Treasurer shall deposit all monies in the name of and to the credit of the District with such depositories as may be permitted by law and as designated by the Board of Directors. The Treasurer shall disburse the funds to the District as ordered by the Board of Directors and render an account of all financial transactions and the financial condition of the District, and shall have such other power and perform such other duties as may be prescribed by the California Water District Law or the Board of Directors.

Section 6. Organization of the Board.

At the December meeting of the Board in each calendar year, the Board shall organize and elect a President, and Vice-President*(s) and such other officers as may be designated by the Board* from among its own members and shall appoint a Secretary and Treasurer who shall not be members of the Board. Interim reorganization may be undertaken by the Board as deemed necessary.

Section 7. Term of Office.

The Officers of the District shall take office upon qualification and shall serve the terms provided in the California Water District Law. Any vacancies shall be filled pursuant to the provisions of the Government Code of the State of California. (Per Section 34701 of the Water Code, entitled "Time of Taking Office," – Officers take office as soon as they qualify except that officers elected or appointed pursuant to the Uniform District Election Law shall take office at noon on the First Friday in December next following the general district election.)

Section 8. Indemnification of Directors, Officers and Employees.

A. Indemnification.

The District shall indemnify, to the extent allowed by law, all Directors, Officers and Employees of the District for liability incurred in the course and scope of their duties as Directors, Officers and Employees of the District.

B. Defense of Directors and Officers.

Upon request by the affected Director, Officer, or Employee and upon determination by the Board that the acts complained of are (1) within the course and scope of employment of the affected person; and (2) not the result of fraud or willful misconduct, the District shall provide for the legal defense of such Director, Officer, or Employee.

C. Judgment Against Director or Officer.

Where (1) written request has been made ten (10) days prior to trial for the District to provide a defense; (2) the District has provided a defense; (3) the Director, Officer, or Employee cooperated in such defense; and (4) the actions of the Director, Officer, or Employee are not the result of fraud or willful misconduct, the District shall indemnify such Director, Officer, or Employee from any judgment taken against them.

Section 9. Committees.

After the annual organization of the Board of Directors pursuant to Section 6, above, the Board members to serve on the District's standing and ad hoc committees shall be selected in either of the following ways: (1) the Board members shall select those standing or ad hoc committees on which they wish to serve, filling the assignments in order by seniority, with the committee chairperson to also be determined by seniority; or (2) the President of the Board of Directors shall appoint members to the standing and ad hoc committees of the Board, and shall select the chairperson of each committee. A standing committee consists of up to three Directors, with one of the three Directors serving as alternate, and is responsible for monitoring, reviewing, and reporting on a specific subject area on an ongoing basis. An ad hoc committee consists of no more than two Directors and is created to undertake a specific limited or complex assignment. An ad hoc committee exists for a specified length of time or until its assignment is declared complete by the President. Additional related assignments may be given to ad hoc committees prior to the completion of the original assignment. Board committees shall use their best efforts whenever possible to schedule, with the assistance of District staff, committee meetings during regular working hours with consideration given to the committee chair's schedule. The General Manager *and/or assistant General Manager* shall attend all committee meetings with the exception of committee meetings held for the purpose of evaluating performance or determining compensation of the General Manager. The General Manager, in consultation with the committee chairperson, shall determine those persons who

should attend a committee meeting. The committee shall have only the power to recommend action to the Board and consequently does not establish policy for the District.

The ~~following are~~ standing committees of the Board of Directors *are established by Board action and are identified in the District's "Standing Committee Selection Process" policy*.

~~Engineering Committee. This Committee has continuing subject matter jurisdiction for the operation, protection and maintenance of the District facilities, the initiation of construction programs, and long range planning.~~

~~Finance Committee. This Committee has continuing subject matter jurisdiction over the annual budget, fiscal planning, audits, investments, insurance, revenues, reserves, and expenses.~~

~~Personnel Committee. This Committee has continuing subject matter jurisdiction over risk management, staff, organization, classification, employment policies and rules, salary, and benefit matters.~~

~~Public Information/and Community Relations Committee. This Committee has continuing subject matter jurisdiction over the preparation and dissemination of information to the District's constituents and consumers, and to establish goals, objectives and methods for community relations programs.~~

~~Legislative Action Committee. This Committee has continuing subject matter jurisdiction over local, state and federal legislative issues and shall serve as liaison to the District's legislative representatives.~~

Section 10. Compensation

A. Director's Fees

Each member of the Board shall be compensated for attendance at regular meetings of the Board and for each day's service rendered as a member of the Board by request of the Board in accordance with the provisions of resolutions or ordinances adopted by the Board in accordance with the provisions of the California law.

B. Directors' Expenses

Each Director shall be reimbursed for reasonable and necessary expenses incurred by Directors in connection with travel, meals, and lodging, in accordance with the Policy Guidelines for Ethical Conduct Regarding Board of Directors Compensation and Expenses adopted by the Board of Directors.

ARTICLE III
OFFICES

Section 1 Location of Office

The principal office of Walnut Valley Water District shall be located at 271 South Brea Canyon Road, Walnut, Los Angeles County, California.

Section 2 Method of Changing Location of Office

The location of the principal office of the District may be changed from time to time by action of the Board of Directors.

ARTICLE IV
MEETINGS OF DIRECTORS

Section 1 Place of Meetings

Meetings of the Board of Directors shall be held at the principal office of the District.

Section 2 Time of Regular Meetings

Regular meetings shall be held at least monthly and at such times as the Board of Directors may determine from time to time.

Section 3 Notice of Regular Meetings

Notice of regular meetings shall be given and an agenda containing a description of the business to be discussed shall be posted, at a location accessible to members of the public, 72 hours prior to the meeting.

Section 4 Special Meetings

A special meeting may be called by the President of the Board or by a majority of the board members on at least 24-hours notice given and posted as provided in Section 3.

Section 5 Quorum

A majority of the Board shall constitute a quorum and a majority of the quorum shall be required for Board action.

ARTICLE V
AMENDING OR REPEALING BYLAWS

The Bylaws may be repealed or amended by a four-fifths (4/5ths) vote of the Board of Directors and approval of the Los Angeles County Board of Supervisors and a certified copy of the Bylaws, and the filing of the approvals of the District and Supervisors Boards with the Los Angeles County Recorder.

ARTICLE VI
PENALTIES

Any violation of these Bylaws, at the discretion of the Board of Directors, shall subject the violator to a penalty of no less than $100.00 for each offence.

WALNUT VALLEY WATER DISTRICT
Standing Committee Selection Process

The Board of Directors, at its November 16, 2004, meeting, approved *a* new Standing Committee selection process, which was amended on December 21, 2004. The Board-approved Standing Committee Selection Process and Amendment thereto include the following provisions:

1. The Board Member hierarchy for seniority is as follows:

   Mr. Hilden, appointed 2002
   Dr. Wu, elected November 2003
   Ms. Ling Ling Chang, elected November 2005
   Theodore L. Ebenkamp, elected November 2007
   Scarlett Kwong, elected November 2007

   When two new directors are elected at the same time, the Director receiving the highest percentage of votes will have seniority, or, if an equal percentage of votes is received, seniority will be determined by coin toss. (As amended 12/21/04)

2. The process to be observed for filling committee assignments:

   The senior most Board member will select a committee position, with each member following suit under the seniority rotational process. Thereafter, until all positions are filled, the process will continue. Each Board member may select any open position, chair, committee member, or alternate, based on preference.

   (As amended 12/21/04) Any committee vacancy created as a result of a Director resigning from the committee or leaving office shall be filled in the following manner:

   a. If the chair position is vacated, the Director filling the committee member position will ascend to the chair position.

   b. If the committee member position is vacated, the alternate Director will ascend to the member position.

   c. If the alternate committee member position is vacated, the President shall appoint a replacement alternate committee member.

3. The following committee oversight responsibilities to be updated in the next revision of the District's Policy Guidelines:

   Engineering and Special Projects – Operation, protection and maintenance of District facilities. Initiation of construction programs. Long-range planning.

   Finance – Annual budget, quarterly budget reports, fiscal master plan, audits, investments, risk management, insurance, revenues and expenses.

   Personnel – Staffing and organizational issues, employment related policies, Terms and Conditions of Employment, and Board Policies and Ethics issues.

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Approved 11/16/04
Amended 12/21/04, 7/23/08
Reviewed 11/15/06, 11/20/06, 12/07

Public Information/Community Relations and Legislative Action – Public information goals, objectives and methods, community relations programs, and Best Management Practices; and District liaison for legislative activities relating to the water industry. (As amended 7/23/08)

4. Consistent with long-standing District practice, committee meetings will be scheduled by District staff during regular working hours whenever possible, with consideration given to the committee chair's schedule. (As amended 12/21/04)

This Standing Committee Selection Process shall be reviewed by the Personnel Committee on an annual basis.

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Approved 11/16/04
Amended 12/21/04, 7/23/08
Reviewed 11/15/06, 11/20/06, 12/07