

**MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF  
WALNUT VALLEY WATER DISTRICT**

**August 22, 2011  
At the Offices of the District**

**DIRECTORS PRESENT:**

Scarlett P. Kwong, President  
Barbara A. Carrera  
Theodore L. Ebenkamp  
Edwin M. Hilden  
Allen L. Wu

**DIRECTORS ABSENT:**

None

**STAFF PRESENT:**

Jess Senecal, Legal Counsel  
Michael Holmes, General Manager  
Erik Hitchman, Assistant General Manager/Chief Engineer  
Sandra Olson, Director of Administrative Services  
Brian Teuber, Director of Finance  
Jo Ann Angelico, Executive Secretary  
Gabriela Sanchez, Executive Assistant

The meeting was called to order at 5:00 p.m. with President Kwong presiding.

Guests and others in attendance: Shawna Seals of Walnut Valley Water District; Director Joe Ruzicka, Director David De Jesus, and Finance Director James Linthicum of Three Valleys Municipal Water District; Jayson Schmitt of Chandler Asset Management; Cindy Navaroli of Platinum Consulting; Jorge L. Torres.

**Item 3-A: Public Comment – Agenda Items - President Kwong**

- ◆ There were no requests to make public comment on agenda items.

**Item 3-B: Public Comment – Non-Agenda Items - President Kwong**

- ◆ **Mr. Jorge L. Torres**, speaking as an applicant for the WVWD Utility Service Worker I position, introduced himself to the Board and briefly summarized his qualifications and job history.

**Item 4: Additions to the Agenda –President Kwong**

- ◆ There were no requests for additions to the agenda.

**Item 5: Reorder of Agenda – President Kwong**

- ◆ There were no requests for reorder of the agenda.

**Item 6: Finance Presentations**

- A. The Board received a PowerPoint presentation by Mr. Jayson Schmitt of Chandler Asset Management on the various components contained in the District's investment report.
- B. The Board received a PowerPoint presentation by Ms. Cindy Navaroli of Platinum Consulting Group on the District's Financial Statement Audits. She explained the roles and responsibilities of the Finance committee, management, and the auditor.

**Item 7: Consent Calendar**

- ◆ The Board was asked to approve the Consent Calendar, including the minutes of the Regular Board Meeting held July 18; the August 2011 check register; the Community Relations/Website Activities Report; the Operations Report; and the Engineering Project Status Report

**Motion No. 11-08-184:** *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu and unanimously carried (5-0), to receive, approve, and file the Consent Calendar consisting of the minutes of the Regular Board Meeting held July 18; the August 2011 Check Register; the Community Relations/Website Activities Report; the Operations Report; and the Engineering Project Status Report (Items 7-1, 2, 3, 4, & 5)*

**Item 8: Director Expense Reports**

- ◆ The Board was asked to receive, approve, and file the Board member expense reports indicating per diem requests for meeting attendance and the individual reports of additional expenses incurred by the District on behalf of each Director.

**Motion No. 11-08-185:** *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Ebenkamp and unanimously carried (5-0), to receive, approve, and file the Board member expense reports for meeting attendance. (Item 8)*

**Item 9: Treasurer's Report – Mr. Teuber**

- ◆ Mr. Teuber reviewed the Preliminary District Statement of Revenues, Expenses, and Change in Net Assets, and Summary of Cash and Investments for the periods ending June 30, 2011 and July 31, 2011. He noted that, due to the fiscal year-end, the District Statement of Net Assets was not available. He then provided for the Board's review and consideration the District's Investment Transactions Report.

**Motion No. 11-08-186:** *Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried (5-0), to receive and file the Preliminary District Statement of*

*Revenues, Expenses, and Change in Net Assets, and Summary of Cash and Investments for the periods ending June 30, 2011 and July 31, 2011; and the District's Investment Transactions Report. (Item 9-1,2,3,4,5)*

### Committee Chair Reports

#### Item 10: Engineering & Special Projects Committee

- ◆ The Engineering Committee did not meet in August

#### Item 11: Personnel Committee

- ◆ The Personnel Committee did not meet in August

#### Item 12: Finance Committee

- ◆ The Finance Committee did not meet in August

#### Item 13: Public Information/Community Relations/Legislative Action

- ◆ The Public Information/Community Relations/Legislative Action Committee did not meet in August

### Other Items

#### Item 14: TVMWD/MWD – Director Hilden

- ◆ Director Hilden noted TVMWD's Board did not meet in August, but would reconvene on September 21.

#### Item 15: The P-W-R Joint Water Line Commission – Director Carrera

- ◆ Director Carrera reviewed the July water use report included in the Board packet.

#### Item 16: Puente Basin Water Agency –Director Ebenkamp

- ◆ Director Ebenkamp advised that at the PBWA Board meeting held on July 27, the Commission received a status report by Civiltec Engineering regarding water resource acquisition efforts.
- ◆ The next PBWA Board meeting is scheduled for August 31.

#### Item 17: General Manager Report – Mike Holmes

- ◆ The General Manager presented the Board with a follow-up report on previous Board actions. (*Item 17-A*)
- ◆ The General Manager reviewed the District's activities calendars for August-October 2011. (*Item 17-B*)
- ◆ The Board received verbal updates on the following (*Item 17-C*):
  - The General Manager noted that although State budget projections were not met for July, the District will not be directly impacted by the shortfall.
  - The General Manager provided a brief update on the status of the 2011-2012 General Manager's Work Plan.
  - The Director of Finance gave a brief update on the status of the District audit.
  - The Director of Administrative Services reported on District recruitment activities for the positions of Utility Service Worker I and part-time Customer Service Rep I.
  - The Board was then updated on the newly launched on-line payment options on the District's website. Advertising for this feature will be made via the District's website, an ad in the *Weekly News* and a press release for local newspaper publications, and customer billing inserts.
- ◆ At Director request, a verbal status report on Engineering projects was given.

#### Item 18: Directors' Oral Reports

(NOTE: Board meeting Minutes provide written reports of Board meeting activities and committee meeting reports are given during the course of regular Board meeting activities. Directors include reports of their participation in non-expense/per diem paid community events as a matter of information.)

- ◆ In addition to District committee and Board meetings previously reported, Director Carrera noted her attendance at the Regional Chamber Installation Dinner and the PBWA Board meeting.
- ◆ In addition to the District committee and Board meetings, and the PBWA Board meeting previously reported, Director Ebenkamp noted his attendance at a Southern California Water Committee quarterly meeting.
- ◆ In addition to District committee and Board meetings previously reported, Director Hilden noted his attendance at the Regional Chamber Installation Dinner and reported on the Engineering Committee Parker Canyon inspection tour.
- ◆ In addition to District committee and Board meetings previously reported, Director Wu noted his attendance at the Regional Chamber Installation Dinner, a Water Research Foundation program, an International Water Association seminar, and reported on the Engineering committee's Parker Canyon inspection tour. He also noted his participation in a National Groundwater Association tour held August 8.
- ◆ Director Kwong advised that she attended a Chinese Elected Officials general meeting.

#### Item 19: Legal Reports

- ◆ Mr. Senecal noted there would be a brief closed session following the regular business meeting. He then reported on AB 685: State Water Policy: Regional Water Management Planning, regarding the right for all California residents to have clean, affordable, and accessible drinking water.

**Item 20: Items for Future Discussion**

- ◆ Staff received a Director request for District follow-up on Fire Department hydrant testing, to provide prior notification to District customers within the perimeters of the testing areas.

**Item 21: Board of Directors Business**

- ◆ The Board was asked to authorize staff to forward a letter to the Puente Basin Watermaster indicating the District's preference for Option 1 to be used to calculate the collective import return flow credit, which is based on proportional allocation of imported water delivered within the basin.

**Motion No. 11-08-187:** *Upon consideration thereof, it was moved by Director Carrera, seconded by Director Ebenkamp and unanimously carried (5-0), to forward a letter to the Puente Basin Watermaster indicating the District's preference for Option 1 to be used to calculate the collective import return flow credit, which is based on a proportionate allocation of imported water delivered within the basin. (Item 21-A)*

- ◆ The Board was asked for direction in casting the District's vote for the Association of California Water Agencies (ACWA) Region 8 2012-2013 election, noting the voting options for either the Nominating Committee's Slate or to individually vote for a Region 8 chair, vice chair, and five board members.

**Motion No. 11-08-188:** *Upon consideration thereof, it was moved by Director Carrera, seconded by Director Hilden and unanimously carried (5-0), to cast the District's vote for the Nominating Committee's Slate in the ACWA Region 8 2012-2013 election. (Item 21-B)*

**Item 22: Public Comment on Closed Session**

- ◆ There were no requests to comment on either open or closed session items at this time.

**Item 23: Adjourn to Closed Session – 6:52 P.M.****Item 24: Closed Session – 7:13 P.M.**

- ◆ The Board adjourned to closed session in accordance with Government Code §54956.9(a) to discuss one existing litigation matter concerning Michelle Lin, Esther Hong, D.H. Hwang and Isabella Hwang for decedent Jessica Hwang vs. Dachan Kim, Kyung Lee Kim, City of Industry, Walnut Valley Water District, County of Los Angeles, Doty Bros. Construction Co., and DOES 1 through 25, Inclusive, Case No. BC433130, and
- ◆ In accordance with Government Code §54956.8 to discuss real property negotiation matters pertaining to the acquisition of water resources. The negotiating parties are Michael Holmes, Erik Hitchman, and Sierra Water Group, and
- ◆ In accordance with Government Code §54957 to discuss security issues with Legal Counsel.

**Item 25: Reconvene in Open Session/Report of Action Taken in Closed Session – 7:25 P.M.**

- ◆ It was reported that the Board met in closed session in accordance with Government Code §54956.9(a) to discuss one litigation matter concerning Michelle Lin; Esther Hong; D.H. Hwang and Isabella Hwang for decedent Jessica Hwang vs. Dachan Kim; Kyung Lee Kim; City of Industry; Walnut Valley Water District; County of Los Angeles; Doty Bros. Construction Co.; and DOES 1 through 25, Inclusive, Case No. BC433130. The Board was briefed on the status of the case; no action reportable under the Brown Act was taken.
- ◆ The Board also met in closed session in accordance with Government Code §54956.8 to discuss real property negotiation matters pertaining to the acquisition of water resources with various water right holders in the Sacramento Valley. The negotiating parties are Michael Holmes, Erik Hitchman, and Sierra Water Group. The Board was briefed on the status of this matter; no action reportable under the Brown Act was taken.
- ◆ The Board also met in closed session in accordance with Government Code §54957 to discuss security issues with Legal Counsel; no action reportable under the Brown Act was taken.

**Adjournment at 7:25 P.M.**

**Motion No. 11-08-189:** *It was moved by Director Hilden, seconded by Director Wu and unanimously carried (5-0), to adjourn the meeting.*