

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

**August 26, 2013  
At the Offices of the District**

**DIRECTORS PRESENT:**

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

**STAFF PRESENT:**

Mike Holmes, General Manager  
Erik Hitchman, Assistant General Manager/Chief Engineer  
Sandra Olson, Director of Administrative Services  
Brian Teuber, Director of Finance  
Carmen Fleming, Executive Assistant  
James Ciampa, Legal Counsel

**DIRECTORS ABSENT:**

None

The meeting was called to order at 5:02 p.m. with President Hilden presiding.

Guests and others in attendance: Director Joe Ruzicka of Three Valleys Municipal Water District; Mr. Jayson Schmitt of Chandler Asset Management.

**Item 3: Public Comment – President Hilden**

- ◆ Mr. Joe Ruzicka spoke regarding the Special District Alternative representative seat vacancy on the LAFCO Board. He also declared his candidacy for the seat. The election will be held in October. The District Board was asked to consider this item on the September meeting agenda.
- ◆ Mr. Holmes informed the Board that a customer called and asked to address the Board at the meeting.

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

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

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

- ◆ At Dr. Wu's request the Board reordered Agenda Item 17-18 (Directors' Oral Reports and Legal Report) to follow Item 12 (Public Information/Legislative Action Committee).

**Item 6: Consent Calendar**

- ◆ The Board was asked to approve the Consent Calendar, including the minutes of the Regular Board meeting held July 15, 2013 and Special Board meetings held July 18, 2013 and August 19, 2013; the August Check Register; the Community Relations/Website Activities Report; the Operations Report; and the Engineering Project Status Report.

**Motion No. 13-08-511:** *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and unanimously carried (5-0), to receive, approve, and file the Consent Calendar, including the minutes of the Regular Board meeting held July 15, 2013 and Special Board meetings held July 18 and August 19, 2013; the August 2013 Check Register; the Community Relations/Website Activities Report; the Operations Report; and the Engineering Project Status Report. (Items 6-1, 2, 3, 4, 5, 6, 7)*

**Item 7: 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. 13-08-512:** *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Kwong and unanimously carried (5-0), to receive, approve, and file the Board member expense reports for meeting attendance during the month of July 2013. (Item 7)*

**Item 8: Treasurer's Report**

- ◆ Mr. Jayson Schmitt of Chandler Asset Management presented the quarterly review of the District's investment activities.
- ◆ The Board received an update on the District's Bonds Held in Trust.
- ◆ Mr. Teuber noted that due to the fiscal year-end, the District Statement of Revenues, Expenses, and Change in Net Assets; the District Statement of Net Assets; and the Summary of Cash Investments will be presented at the September Board meeting.

**Motion No. 13-08-513:** *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and unanimously carried (5-0), to receive, approve, and file the Treasurer's report, including the report given by Mr. Jayson Schmitt of Chandler Asset Management, the Investment report for July 31, 2013 and Bonds in Trust report. (Items 8-1, 2, 3)*

**Continued - Item 3: Public Comment – President Hilden**

- ◆ Ms. Lisa P. Ng, a WVWD customer, addressed the Board regarding a billing issue involving a rental property. Director Hilden stated that staff will review her issue for further information.

### Committee Chair Reports

#### Item 9: Engineering & Special Projects Committee –Director Kwong

- ◆ The Board was asked to authorize the execution of a landscaping services renewal agreement with Azteca Landscape for a 5-year term beginning September 1, 2013 and ending August 1, 2018. (Item 9-A)

***Motion No. 13-08-514:*** *Upon consideration thereof, it was moved by Director Kwong, seconded by Director Ebenkamp and unanimously carried (5-0), to authorize the execution of a landscaping services agreement with Azteca Landscape for a 5-year term beginning September 1, 2013 and ending August 1, 2018. (Item 9-A)*

- ◆ The Board was asked to accept the work as performed for Fern Hollow Pump Station Improvements (P.N. 09-3169), and authorize the filing of a Notice of Completion for the project.

***Motion No. 13-08-515:*** *Upon consideration thereof, it was moved by Director Kwong, seconded by Director Ebenkamp and unanimously carried (5-0), to accept the work as performed and approve the filing of Notice of Completion for Major Labor Contract: Fern Hollow Pump Station Improvements (P.N. 09-3169). (Item 9-B)*

#### Item 10: Personnel Committee – President Hilden

- ◆ There was no Personnel Committee meeting held in August.

#### Item 11: Finance Committee – Director Wu

- ◆ There was no Finance Committee meeting held in August.

#### Item 12: Public Information/Community Relations/Legislative Action Committee – Director Ebenkamp

- ◆ There was no Public Information/Community Relations/Legislative Action Committee meeting held in August.

#### Item 17: Directors' Oral Reports *(Moved to follow Item 12 by Director Request)*

(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 Board and committee meetings, Director Kwong noted her attendance at the LACCD Trustee Mike Eng swearing in ceremony and her presentation of a District certificate.
- ◆ In addition to the District Board and committee meetings, and the PBWA meeting, Director Ebenkamp noted his attendance at the TVMWD Board meeting, a Rowland Heights Community Coordinating Council Meeting, and an Industry Manufacturers Council Legislative Breakfast.
- ◆ In addition to the District Board, Finance Committee, and Building Ad Hoc committee meetings, Director Wu noted he had met with the General Manager and had participated in resolving a customer service matter.
- ◆ Director Carrera noted her attendance at District Board and Public Information Committee meetings, and the PBWA meeting. She also reported on her attendance at the Chinese American Professionals Dinner, the San Gabriel Valley Civic Alliance Officeholders BBQ at Mt. SAC, and the San Gabriel Valley Lincoln Club luncheon.
- ◆ In addition to the District Board, Building Ad Hoc, and standing committee meetings previously reported, Director Hilden advised that he attended the TVMWD Board meeting, a Lincoln Club meeting, the Industry Manufacturers Council Legislative Breakfast, and a legislative Update presented by Ed Hernandez.

#### Item 18: Legal Reports

- ◆ Mr. Ciampa gave a presentation to the Board on the procedures required to increase the District's Standby Charge. (Item 18-A)

*[Director Wu excused himself from the meeting at the end of Item 18.]*

### Other Items

#### Item 13: TVMWD/MWD – Director Hilden

- ◆ Director Hilden stated that the next TVMWD meeting is scheduled for September 4, 2013, at 8:00 a.m.

#### Item 14: The P-W-R Joint Water Line Commission – Director Kwong

- ◆ Director Kwong reviewed the P-W-R Joint Water Line Commission Water Use Report for July 2013. The next meeting is scheduled for October 17 at 3:00 p.m.

#### Item 15: Puente Basin Water Agency –Director Carrera

- ◆ Director Carrera stated that the Agency was updated on various items and there was nothing to come before the Board. She then indicated that the next Puente Basin Water Agency meeting will be held on September 12, 2013 at 7:00 a.m. at the Walnut Valley Water District.

#### **Item 16: General Manager Report – Mike Holmes**

- ◆ The General Manager gave brief updates on Federal Funding, the EnerNOC Agreement, and the AB145 (Perea) letter of opposition.
- ◆ The General Manager reviewed a follow-up report on previous Board actions and provided an update regarding Infosend's renewed contract.
- ◆ The General Manager reported on the State of California "Prop 1A" borrowing of property tax revenue.
- ◆ The General Manager reviewed the District's activities calendars for August, September, and October 2013.
- ◆ The General Manager reviewed the quarterly Water Loss Analysis.
- ◆ The Board of Directors approved an excused absence for the General Manager to miss the September 16, 2013 Board meeting.

#### **Item 19: Items for Future Discussion**

- ◆ There were no requests for future items of discussion.

#### **Item 20: Board of Directors Business**

- ◆ The Board was asked to authorize an appropriation from the General Fund – 3131 Steeplechase Lane, Diamond Bar (Project No. 13-3297). (Item 20-A)

***Motion No. 13-08-516: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and unanimously carried (4-0), to authorize the appropriation of \$9,000 from the General Fund for installation of a residential metered service at 3131 Steeplechase Lane (Parcel 2 or Parcel Map 23382) Diamond Bar (P.N. 13-3297). (Item 20-A)***

- ◆ The Board was asked to consider approval of the San Gabriel Valley Employment Relations Consortium Agreement with Liebert Cassidy Whitmore. (Item 20-B)

***Motion No. 13-08-517: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and unanimously carried (4-0), to approve renewal of the Employment Relations Consortium Agreement with Liebert Cassidy Whitmore, special labor counsel, for the fiscal year ending June 30, 2014. (Item 20-B)***

- ◆ The Board was asked to consider approval of ACWA Committee appointment nominations for 2014-2015 term as listed below. (Item 20-C)
  - Ms. Sandy Olson to continue serving on the Personnel and Benefits Committee
  - Legal Counsel's request for support nominations to continue assignments on the Legislative, Legal Affairs, Local Government, and Groundwater committees.

***Motion No. 13-08-518: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and unanimously carried (4-0), to approve submitting nominees for ACWA committee appointments as recommended by staff. (Item 20-C)***

- ◆ The Board was asked to consider the Determination of Allocation: FY 2012-2013 Puente Basin Collective Import Return Flow Credit. Staff recommended Option 1 be used to calculate the collective import return flow credit.(Item 20-D)

***Motion No. 13-08-519: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and unanimously carried (4-0), to authorize a letter to the Puente Basin Watermaster indicating the District's preference that "Option 1" be used to calculate the collective import return flow credit. (Item 20-D)***

- ◆ The Board was asked to consider the Association of California Water Agencies (ACWA) Region 8 election ballot for the 2014-15 term and make a determination to cast the District's vote. It was noted that Ms. Sandra Olson is included on the recommended slate. (Item 20-E)

***Motion No. 13-08-520: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Kwong and unanimously carried (4-0), to approve casting the District's vote for the Nominating Committee's recommended Slate in the ACWA Region 8 Election, noting that Ms. Sandra Olson is listed as a "member" candidate under the Slate. (Item 20-E)***

- ◆ The Board was asked to consider authorizing the General Manager to execute a communications site lease with the City of Walnut for the installation of an antenna at Arbor Ridge Reservoir. (Item 20-F)

***Motion No. 13-08-521: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and unanimously carried (4-0), to authorize the execution of a Communications Site Lease with the City of Walnut for the installation of an antenna at Arbor Ridge Reservoir. (Item 20-F)***

- ◆ The Board was advised that the District had received a copy of the “Notice of Election” provided by the County Registrar-Recorder and a report that the notice was posted as required.

**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 – 7:02 p.m.**

**Item 24: Closed Session – 7:02 p.m.**

**Item 25: Reconvene in Open Session/Report of Action Taken in Closed Session – 7:06 p.m.**

- A. 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 and/or lease of water resources with various water right holders in Central Basin and the Main San Gabriel Basin. The negotiating parties are Michael Holmes and Erik Hitchman. No action reportable under the Brown Act was taken.
  - ◆ The Board also met in closed session in accordance with Government Code Section 54957 to discuss security issues. No action reportable under the Brown Act was taken.

**Adjournment at 7:06 p.m.**

***Motion No. 13-08-522: There being no further business to discuss, upon consideration thereof, by unanimous consent of the Board the meeting was adjourned at 7:06 p.m.***