

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

April 17, 2017
At the Offices of the District

DIRECTORS PRESENT:

Theodore L. Ebenkamp
Edwin Hilden
Scarlett Kwong
Theresa Lee
Allen Wu

DIRECTORS ABSENT:

None

STAFF PRESENT:

Erik Hitchman, Assistant General Manager/Chief Engineer
Brian Teuber, Director of Finance
Sandy Olson, Director of Administrative Services
Donna DiLaura, Executive Secretary
Jim Ciampa, Legal Counsel
E.G. "Jerry" Gladbach, Board President, ACWA/JPIA
Patricia Slaven, Director of Administration, ACWA/JPIA

The meeting was called to order at 5:01 p.m. with President Allen Wu presiding.

Guests and others in attendance: Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA) Board President, Mr. E.G. "Jerry" Gladbach, ACWA/JPIA Director of Administration, Ms. Patricia Slaven, Three Valleys Municipal Water District Director Joe Ruzicka, and Three Valleys Municipal Water District Chief Financial Officer Mr. James Linthicum.

Item 3: Public Comment –President Wu

- ◆ No comments were offered. (Item 3)

Item 4: Additions to the Agenda –President Wu

- ◆ There were no requests. (Item 5)

Item 5: Reorder of Agenda –President Wu

- ◆ There were no requests. (Item 6)

Item 6: Presentation of Retrospective Rate Premium Adjustment Stabilization Fund Refund: Association of California Water Agencies Joint Powers Insurance Authority

- ◆ Mr. Jerry Gladbach, and Ms. Patricia Slaven of ACWA/JPIA presented the District with a \$54,698 rebate check from the ACWA/JPIA Retrospective Premium Rate Adjustment Stabilization Fund.

Item 7: Consider Approval of Consent Calendar

- ◆ The Board was asked to approve the Consent Calendar, including: the minutes of the regular Board meeting held March 14, 2017, the minutes of the special Board meeting held March 16, 2017, the check register, the Employee Expense Reimbursement Report, and the Community Outreach Update. (Items 7-1, 2, 3, 4 and 5)

Motion No. 17-04-1057: Upon consideration thereof, it was moved by Director Hilden seconded by Director Ebenkamp and unanimously carried (5-0), to approve the Consent Calendar, including the minutes of the regular Board meeting held March 14, 2017, the minutes of the special Board meeting held March 16, 2017, the check register, and the Community Outreach Update. (Items 7-1, 2, 3, 4 and 5)

President Wu indicated Motion No. 17-04-1057 was approved by a (5-0) vote

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 for events occurring during March 2017. (Item 8)

Motion No. 17-04-1058: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden and unanimously carried (5-0), to receive, approve, and file the Board member expense reports for meeting attendance and additional expenses incurred by the District on behalf of each Director for events occurring during the month of March 2017. (Item 8)

President Wu indicated Motion No. 17-04-1058 was approved by a (5-0) vote

Item 9: Treasurer's Report

- ◆ Mr. Teuber reviewed the District Statement of Revenues, Expenses, and Change in Net Assets as of March 31, 2017; the District's Statement of Net Assets as of March 31, 2017; and the Summary of Cash Investments as of March 31, 2017. (Items 9 A-C)

Motion No. 17-04-1059: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden and unanimously carried (5-0), to receive, approve, and file the District's Statement of Revenues, Expenses, and Change in Net Assets as of March 31, 2017, the District Statement of Net Assets as of March 31, 2017, and the Summary of Cash and Investments as of March 31, 2017. (Item 9 A-C)

President Wu indicated Motion No. 17-04-1059 was approved by a (5-0) vote

Committee Chair Reports

Item 10: Engineering & Special Projects Committee – Director Ebenkamp

- ◆ The Board was asked to accept the work as installed for the Revised SR-60 and Lemon Avenue Interchange (P.N. 13-3310) and to authorize the filing of a Notice of Completion of that work with the Office of the Los Angeles County Registrar-Recorder/County Clerk (Item 10-A)

Motion No. 17-04-1060: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Lee and unanimously carried (5-0), to accept the work as installed for the Revised SR-60 and Lemon Avenue Interchange (P.N. 13-3310); and to authorize staff to file a Notice of Completion for the subject project with the Office of the Los Angeles County Registrar-Recorder/County Clerk. (Item 10-A)

President Wu indicated Motion No. 17-04-1060 was approved by a (5-0) vote

- ◆ The Board was asked to authorize the appropriation of \$115,000.00 from the Reserve for Replacement Fund for the Improvement of Grand Avenue and Golden Springs Drive Project (P.N. 16-3469), and to find the project is exempt pursuant to CEQA Guidelines Categorical Exemption Section 15282; and to authorize staff to file a Notice of Exemption from CEQA for the subject project with the Office of the Los Angeles County Registrar-Recorder/County Clerk. (Item 10-B)

Motion No. 17-04-1061: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden and unanimously carried (5-0), to authorize the appropriation of \$115,000.00 from the Reserve for Replacement Fund for the Improvement of Grand Avenue and Golden Springs Drive Project (P.N. 16-3469); to find the project is exempt pursuant to CEQA Guidelines Categorical Exemption Section 15282; and to authorize staff to file a Notice of Exemption from CEQA for the subject project with the Office of the Los Angeles County Registrar-Recorder/County Clerk. (Item 10-B)

President Wu indicated Motion No. 17-04-1061 was approved by a (5-0) vote

Item 11: Personnel Committee – Director Hilden

- ◆ The Board received an update on Employee Negotiations. As this was an informational item only, Board action was not needed. (Item 11-A)
- ◆ The Board received an update on the recruitment for the Conservation Specialist position. As this was an informational item only, Board action was not needed. (Item 11-B)

Item 12: Finance Committee – President Wu

- ◆ The Board was asked to receive, approve and file the actuarial report of Retiree Health Benefits, GASB 45 Valuation, as of July 1, 2016. (Item 12-A)

Motion No. 17-04-1062: Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried (5-0), to receive, approve, and file the actuarial report of Retiree Benefits, GASB 45 Valuation as of July 1, 2016. (Item 12-A)

◆ President Wu indicated Motion No. 17-04-1062 was approved by a (5-0) vote

- ◆ The Board was asked to receive, approve, and file the March 2017 Consolidated Investments Transaction Report included in the Board packet. (Item 12-B)

Motion No. 17-04-1063: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden and unanimously carried (5-0), to receive, approve, and file the District's Consolidated Investment Transactions Report for the period of March 1, 2017, through March 31, 2017. (Item 12-B)

President Wu indicated Motion No. 17-04-1063 was approved by a (5-0) vote

- ◆ Mr. Teuber reviewed the Revenue Bond Funds Held in Trust and detailed disbursement of bond proceeds report through March 31, 2017. As this was an informational item, Board action was not needed. (Item 12-C)

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

- ◆ The Board received an update on state legislative matters. As this was an informational item only, Board action was not needed. (Item 13-A)
- ◆ The Board was asked to review and approve Resolution No. 04-17-641, in support of the Association of California Water Agencies' Policy Statement on Bay-Delta Flow Requirements. (Item 13-B)

Motion No. 17-04-1064: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Kwong and unanimously carried (5-0) by the roll call vote noted below, to adopt Resolution No. 04-17-641, in support of the Association of California Water Agencies' Policy Statement on Bay-Delta Flow Requirements. (Item 13-B)

AYES: *Ebenkamp, Hilden, Kwong, Lee and Wu*
NOES: *None*
ABSTAIN: *None*
ABSENT: *None*

President Wu indicated Motion No. 17-04-1064, approving Resolution No. 04-17-641 was approved by a (5-0) roll call vote

Other Items

Item 14: TVMWD/MWD – Director Hilden

- ◆ The Board received the Three Valleys Municipal Water District (TVMWD) ‘Action Line’ report for the Board meeting held on March 15, 2017. (Item 14-A)
- ◆ The Board received a general report on the TVMWD Board meeting held on April 5, 2017. (Item 14-B)

Item 15: The P-W-R Joint Water Line Commission

- ◆ Mr. Hitchman reviewed the P-W-R Joint Water Line Commission water use report included in the Board packet, and reported that the valve repair has been completed on the P-W-R Joint Water Line. (Item 15)

Item 16: Puente Basin Water Agency – Director Ebenkamp

- ◆ The Board was asked to ratify the Puente Basin Water Agency FY 2017-18 Budget, as approved by the PBWA Commission at the April 7, 2017, Commission meeting. (Item 16)

Motion No. 17-04-1065: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Lee and unanimously carried (5-0), to receive, approve, and file the Puente Basin Water Agency FY 2017-18 Budget. (Item 16)*

President Wu indicated Motion No. 17-04-1065 was approved by a (5-0) vote

Item 17: General Manager’s Report

- ◆ The Board received a follow-up report on prior Board actions. (Item 17-A)
- ◆ The Board was asked to approve a revised meeting schedule for May and June 2017, and received the District’s activities calendars for May, June and July 2017. (Item 17-B)

Motion No. 17-04-1066: *Upon consideration thereof, it was moved by Director Lee, seconded by Director Hilden and unanimously carried (5-0), to approve the meeting schedule for May and June 2017. (Item 17-B)*

President Wu indicated Motion No. 17-04-1066 was approved by a (5-0) vote

- ◆ The General Manager reported that he and Mr. Tom Coleman, Rowland Water District, General Manager, met with Assemblymember Phillip Chen to discuss water supply matters. Additionally, Ms. Olson highlighted a few upcoming Water Awareness Month events, including the poster and essay awards ceremony and the BBQ. (Item 17-C)

Item 18: Water Supply

- ◆ The Board received a general report on Governor Brown’s Executive Order, B-40-17, terminating the January 2014 Drought State of Emergency, and reviewed a timeline of the District’s drought response. (Item 18-A)
- ◆ The Board was asked to ratify action taken by the General Manager in joining a coalition of fifty-four agencies in support of AB 968 (Rubio) and AB 1654 (Rubio), relating to implementation of the long-term water use efficiency framework. Additionally, the Board was asked to authorize the Board President to sign a set of support letters to be submitted separately by the District. (Item 18-B)

Motion No. 17-04-1067: *Upon consideration thereof, it was moved by Director Wu, seconded by Director Ebenkamp and unanimously carried (5-0), to ratify the action by the General Manager regarding the support for AB 968 (Rubio) and AB 1654 (Rubio), and to authorize the Board President to sign a set of support letters to be submitted separately by the District.*

President Wu indicated Motion No. 17-04-1067 was approved by a (5-0) vote

- ◆ The Board received a report on the District’s drought and water conservation outreach efforts. (Item 18-C)
- ◆ The Board received reports and graphs of the following items: District potable and recycled water use, FY 2016-17 purchase water projections, 2016-17 climate summary, and 2017 monthly water consumption versus the 2013 baseline year.
- ◆ Staff made note that the District’s water usage for March 2017 was 20.58% lower than usage in March 2013 (the state’s “benchmark” year for current conservation analysis), and was 0.06% higher than in March 2016. (Item 18-D)
- ◆ The Board viewed reports on California’s water supply and reservoir conditions as of April 2, 2017. (Item 18-E)

Item 19: 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.) (Item 19)

- ◆ In addition to attending District committee and Board meetings previously reported, Director Lee stated that she also attended the ACWA Conference in Washington DC, and the PBWA Strategic Planning Meeting.
- ◆ In addition to District committee and Board meetings previously reported, Director Ebenkamp noted his attendance at the PBWA Strategic Planning Meeting, the WVWD Poster Judging, a Legislative Breakfast with Assemblymember Phillip Chen, a San Gabriel Valley Regional Chamber Government Affairs Committee Meeting, a TVMWD Board Meeting, and the San Gabriel Valley Regional Chamber of Commerce "New Faces" Luncheon.
- ◆ In addition to the District committee and Board meetings previously reported, President Wu noted that he had attended to President's duty, WVWD Essay Judging, a meeting with the General Manager, and WVWD Poster Judging.
- ◆ In addition to District committee and Board meetings previously reported, Director Hilden stated that he also attended two TVMWD Board Meetings, WVWD Poster Judging, the San Gabriel Valley Regional Chamber of Commerce "New Faces" Luncheon, and the State of the City Mayor's Address (Diamond Bar).
- ◆ In addition to the District committee and Board meetings previously reported, Director Kwong noted that she attended a Legislative Breakfast with Assemblymember Phillip Chen, the San Gabriel Valley Regional Chamber of Commerce "New Faces" Luncheon, and worked on a District issue with the General Manager.

Item 20: Legal Reports

- ◆ Mr. Ciampa reported briefly on the changes made in the final long-term water use efficiency framework that was published on April 7, 2017, as compared to the draft version of that framework that published last November 30. He also discussed the competing legislative proposals to implement that framework. (Item 20)

Item 21: Items for Future Discussion

- ◆ There were no requests made for future items of discussion. (Item 21)

Item 22: Board of Directors Business

- ◆ The Board received an update on Assembly Bill 1535 – Consolidation of District Elections. The General Manager noted in the staff report that, based on prior Board action, the terms of office for current WVWD members expiring in November 2017 will be extended to November 2018, and the terms of the WVWD Board members expiring in November 2019 will be extended to November 2020. As this was an informational item, Board action was not needed. (Item 22-A)
- ◆ The Board received an update on activities related to the Spadra Basin Groundwater Sustainability Agency (GSA). The General Manager reported that the agency's formation application was completed and submitted to the Department of Water Resources in March. Mr. Ciampa reported that he received confirmation that the application was received. A brief discussion was held relative to the next steps in the GSA formation process, and the General Manager stated the staff would provide updates to the Board as needed.
- ◆ The Board was reminded of the Board Workshop to be held on Thursday, April 20, 2017, at 4:00 p.m. He noted that one Closed Session item would follow the budget discussion.

Item 23: Public Comment on Closed Session

- ◆ There were no requests to comment on either open or closed session items. (Item 23)

Item 24: Adjourn to Closed Session – 6:38 p.m.**Item 25: Closed Session**

A. The Board met in closed session in accordance with Government Code §54956.9(d)(4) to discuss anticipated litigation matters with Legal Counsel – Three Potential Cases. (Item 25-A)

Item 26: Reconvene in Open Session/Report of Action Taken in Closed Session – 7:13 p.m.

A. The Board met in closed session in accordance with Government Code §54956.9(d)(4) to discuss three anticipated litigation matters with Legal Counsel. The Board was briefed on the facts and circumstances of those three matters and no reportable action under the Brown Act was taken on these matters. (Item 26-A)

Motion No: 17-04-1068: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Kwong and unanimously carried (5-0), to adjourn the meeting.

President Wu indicated Motion No. 17-04-1068 was approved by a (5-0) vote

Adjournment at 7:14 p.m.