

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

**December 18, 2017
At the Offices of the District**

DIRECTORS PRESENT:

Theodore L. Ebenkamp
Edwin Hilden
Scarlett Kwong
Allen Wu

DIRECTORS ABSENT:

Theresa Lee

STAFF PRESENT:

Michael Holmes, General Manager
Erik Hitchman, Assistant General Manager/Chief Engineer
Brian Teuber, Director of Finance
Sandy Olson, Director of Administrative Services
Donna DiLaura, Executive Secretary
Sherry Shaw, Engineering Manager and Production Superintendent
Jim Ciampa, Legal Counsel

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

Guests and others in attendance: Three Valleys Municipal Water District (TVMWD) Director Joe Ruzicka, Ms. Joanna Chan, Mr. Kirk Howie, Ms. Antoinette Johnson, Ms. Si Lee, Mr. BJ Lee, Mr. Vito Lee, Mr. Steffin Lo, Ms. Bertha Shum, Mr. Phillip Tang, Mr. Calvin Truong, Ms. Jessica Truong, and Mr. Long Truong.

Item 3: Public Comment

- ◆ There were no requests. (Item 3)

Item 4: Additions to the Agenda

- ◆ There were no requests. (Item 4)

Item 5: Reorder of Agenda

- ◆ There were no requests. (Item 5)

Item 6: Special Presentation

- ◆ The Board received a presentation by the Suzanne Middle School Robotics Team, “Robo Titans.” The team recently won the Los Angeles Championship Tournament, and will compete in Houston in 2018 at a nationwide tournament. (Item 6)

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 November 13, 2017, the check register, the WVWD Employee Expense Reimbursement Report, and the Community Outreach Update. (Items 7-1, 2, 3, and 4)

Motion No. 17-12-1164: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden and unanimously carried (4-0), to approve the Consent Calendar, including the minutes of the regular Board meeting held November 13, 2017, the check register, the WVWD Employee Expense Reimbursement Report, and the Community Outreach Update. (Items 7-1, 2, 3 and 4)

President Wu indicated Motion No. 17-12-1164 was approved by a (4-0) 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 November 2017. (Item 8)

Motion No. 17-12-1165: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden and unanimously carried (4-0), 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 November 2017. (Item 8)

President Wu indicated Motion No. 17-12-1165 was approved by a (4-0) vote

Item 9: Treasurer’s Report

- ◆ Mr. Teuber reviewed the District Statement of Revenues, Expenses, and Change in Net Assets as of November 30, 2017; the District’s Statement of Net Assets as of November 30, 2017; and the Summary of Cash Investments as of November 30, 2017. (Items 9 A-C)

Motion No. 17-12-1166: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden and unanimously carried (4-0), to receive, approve, and file the District's Statement of Revenues, Expenses, and Change in Net Assets as of November 30, 2017, the District's Statement of Net Assets as of November 30, 2017, and the Summary of Cash and Investments as of November 30, 2017. (Item 9)*

President Wu indicated Motion No. 17-12-1166 was approved by a (4-0) vote

Committee Chair Reports

Item 10: Engineering & Special Projects Committee – Director Ebenkamp

- ◆ Director Ebenkamp reported that the Engineering Committee did not meet in December; therefore, there are no items to come before the Board at this time. (Item 10)

Item 11: Personnel Committee – Director Hilden

- ◆ Director Hilden reported that the Personnel Committee did not meet in December; therefore, there are no items to come before the Board at this time. (Item 11)

Item 12: Finance Committee – Director Wu

- ◆ The Board received a presentation by Mr. Brian Tueber on the District's 2016-17 audited financial statements, prepared by Davis Farr, LLP. Following review and discussion, the Board was asked to receive, approve and file the FY 2016-17 Audited Financials. Items included are as follows:
 - A. Summary of Audit Results
 - B. Report on Internal Control
 - C. 2016-17 Audited Financial Statements, and
 - D. Independent Accountants' Report on Applying Agreed-Upon Procedures
 (Item 12-A)

Motion No. 17-12-1167: *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Kwong and unanimously carried (4-0), to receive, approve and file the FY 2016-17 Summary of Audit Results, Report on Internal Control, 2016-17 Audited Financial Statements, and the Independent Accountants' Report on Applying Agreed-Upon Procedures. (Item 12-A)*

President Wu indicated Motion No. 17-12-1167 was approved by a (4-0) vote

- ◆ The Board was asked to approve adjustments to the District's wholesale potable water rate for water delivered through the Badillo-Grand transmission main for Suburban Water Systems and the Grand Avenue Connection for Golden State Water Company effective January 1, 2018. (Item 12-B)

Motion No. 17-12-1168: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden and unanimously carried (4-0), to set the District's Monthly Wholesale Base Rate for a 20-inch meter on the Badillo-Grand Transmission Main at \$9,023, effective January 1, 2018 through December 31, 2018; and to set the Potable Water Wholesale Commodity Rate for Tier I at \$1,030 per acre foot and for Tier II at \$1,116 per acre foot for water delivered through the Badillo-Grand Transmission Main, effective January 1, 2018 through December 31, 2018; and, to set the District's Monthly Wholesale Base rate for a 20-inch meter at the Grand Avenue Connection at \$706.00, effective January 1, 2018 through December 31, 2018; and to set the Potable Water Wholesale Commodity Rate for Tier I at \$1,121 per acre foot and for Tier II at \$1,207 per acre foot for water delivered through the Grand Avenue Connection, effective January 1, 2018 through December 31, 2018; (Item 12-C)*

President Wu indicated Motion No. 17-12-1168 was approved by a (4-0) vote

- ◆ The Board was asked to declare the fully depreciated equipment listed in the Staff report included in the Board packet as surplus property, and to authorize disposal of such surplus property in accordance with District policy. (Item 12-C)

Motion No. 17-12-1169: *Upon consideration thereof, it was moved by Director Kwong, seconded by Director Hilden and unanimously carried (4-0), to declare as surplus property the items listed in the Staff Report included in the Board packet, and to authorize disposal of such surplus property in accordance with District policy. (Item 12-C)*

President Wu indicated Motion No. 17-12-1169 was approved by a (4-0) vote

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

Motion No. 17-12-1170: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden and unanimously carried (4-0), to receive, approve, and file the District's Consolidated Investment Transactions Report for the period of November 1, 2017 through November 30, 2017. (Item 12-D)*

President Wu indicated Motion No. 17-12-1170 was approved by a (4-0) vote

- ◆ Mr. Teuber reviewed the Revenue Bond Funds Held in Trust and detailed disbursement of bond proceeds report through November 30, 2017. As this was an informational item only, Board action was not needed. (Item 12-E)

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

- ◆ Director Wu reported that the Public Information/Community Relations/Legislative Action Committee did not meet in December; therefore, there are no items to come before the Board at this time. (Item 13)

Other Items

Item 14: TVMWD/MWD – Director Hilden

- ◆ The Board received a reminder that the December 20, 2017, TVMWD Regular Board Meeting was cancelled. (Item 14-A)

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

- ◆ Mr. Hitchman reviewed the P-W-R Joint Water Line Commission water use reports for the months of October and November included in the Board packet. (Item 15)

Item 16: Puente Basin Water Agency –Director Ebenkamp

- ◆ The Board was informed of the items discussed at the December 7, 2017 PBWA Commission meeting. (Item 16)

Item 17: General Manager’s Report

- ◆ The Board received a follow-up report on prior Board actions. (Item 17-A)
- ◆ The Board received the District’s activities calendars for January, February and March 2018. (Item 17-B)
- ◆ The Board was notified that following the conclusion of this meeting, Director Ebenkamp will preside as President. Additionally, the General Manager stated that he will email a list of assignments to outside commissions/agencies for review prior to the January Regular Board meeting. The Board members present indicated that they would like to carryover the 2017 assignments into 2018.

Item 18: Water Supply and Drought

- ◆ The Board received a report on the District’s drought and water conservation outreach efforts. (Item 18-A)
- ◆ The Board received reports and graphs of the following items: District potable and recycled water use, FY 2016-17 purchase water projections, conservation goal summary, 2016-17 climate summary, and 2017 monthly water consumption versus the 2013 baseline year. Staff made note that the District’s water usage for November 2017 was 5.65% lower than usage in November 2013. (Item 18-B)
- ◆ The Board viewed reports on California’s water supply and reservoir conditions as of December 11, 2017. (Item 18-C)

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 District committee and Board meetings previously reported, Director Ebenkamp noted his attendance at a TVMWD Board meeting, Regional Chamber of Commerce Government Affairs Committee meeting, East West Bank VIP event, and the Diamond Bar Foundation Gala.
- ◆ In addition to the District committee and Board meetings, Director Wu reported that he had attended a President’s Duty event, the Asia American Forum, the Walnut Valley Unified School District’s Annual Teddy Bear Tea, and ACWA/JPIA Board meetings.
- ◆ In addition to District committee and Board meetings previously reported, Director Hilden stated that he attended the IMC Legislative Update Breakfast, the Diamond Bar Veterans Recognition Ceremony, and the Diamond Bar Foundation Gala.
- ◆ In addition to the District committee and Board meetings, Director Kwong reported that she attended the East West Bank VIP event.
- ◆ As noted on her expense report, in addition to attending District committee and Board meetings, Director Lee also attended the PBWA Commission Meeting and the East West Bank VIP event.

Item 20: Legal Reports

- ◆ Mr. Ciampa wished everyone a Merry Christmas and a Happy New Year. He deferred the remainder of his report to Closed Session.

Item 21: Items for Future Discussion

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

Item 22: Board of Directors Business

- ◆ After discussion, the Board was asked to appoint a member as the District’s representative to the Spadra Basin Sustainability Agency, and a member as the alternate representative. Additionally, the Board was asked to adopt Resolution 12-17-646, “Appointing District Representation on the Executive Committee of the Spadra Basin Groundwater Sustainability Agency.” (Item 22-A)

Motion No. 17-12-1171: *Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried (4-0) to appoint Director Wu as the District's representative to the Spadra Basin Sustainability Agency, and Director Ebenkamp as the alternate representative. Additionally, the Board was asked to adopt Resolution 12-17-646, "Appointing District Representation on the Executive Committee of the Spadra Basin Groundwater Sustainability Agency."*

Yes: Ebenkamp, Hilden, Kwong and Wu

No: None

Absent: Lee

Abstain: None

Motion Passed (4-0)

(Item 22-A)

President Wu indicated Motion No. 17-12-1171 was approved by a (4-0) roll call vote

- ◆ The Board was asked to consider approval of the Fourteenth Amendment to the General Manager's Employment Contract, per the information and terms and conditions set forth in the corresponding staff report included in the Board packet. (Item 22-B)

Motion No. 17-12-1172: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden, and unanimously carried (4-0) to approve the Fourteenth Amendment to the General Manager's Employment Contract, per the information and terms and conditions set forth in the corresponding staff report included in the Board packet. (Item 22-C)*

President Wu indicated Motion No. 17-12-1172 was approved by a (4-0) vote

- ◆ The Board was asked to receive and file the Puente Basin Watermaster Annual Report for Fiscal Year 2016-17. (Item 22-C)

Motion No. 17-12-1173: *Upon consideration thereof, it was moved by Director Kwong, seconded by Director Ebenkamp, and unanimously carried (4-0) to receive and file the Puente Basin Watermaster Annual Report for Fiscal Year 2016-17. (Item 22-C)*

President Wu indicated Motion No. 17-12-1173 was approved by a (4-0) vote

- ◆ The Board received and update on the January 27, 2018 Employee Recognition Event. As this was an informational item only, Board action was not requested. (Item 23-B)

Item 23: 2018 Calendar

- ◆ The Board approved the Calendar Year (CY) 2018 WVWD Board meeting and workshop schedule, noting that subsequent adjustments may be made by the Board and in accordance with the Brown Act. Director Wu requested that the December workshop be noted as "to be determined". (Item 23-A)

Motion No. 17-12-1174: *Upon consideration thereof, it was moved by Director Kwong, seconded by Director Ebenkamp and unanimously carried (4-0), to approve the CY 2018 WVWD Board and workshop meeting schedule as presented, including the one change for the December Board workshop "to be determined." (Item 23)*

President Wu indicated Motion No. 17-12-1174 was approved by a (4-0) vote

- ◆ The General Manager reviewed the 2018 Key Conferences and Events. As this was an informational item only, Board action was not requested. (Item 23-B)

Item 24: Public Comment on Closed Session

- ◆ There were no requests to comment on either open or closed session items. (Item 24)

Item 25: Adjourn to Closed Session – 6:09 p.m. (Item 25)

Item 26: 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 24-A)

Item 27: Reconvene in Open Session/Report of Action Taken in Closed Session – 6:47 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 27-A)

Adjournment at 6:47 p.m.

Motion No: 17-12-1175: *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Ebenkamp and unanimously carried (4-0), to adjourn the meeting.*

President Wu indicated Motion No. 17-12-1175 was approved by a (4-0) vote