

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

**February 21, 2017
At the Offices of the District**

DIRECTORS PRESENT:

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

STAFF PRESENT:

Erik Hitchman, Assistant General Manager/Chief Engineer
Brian Teuber, Director of Finance
Sandy Olson, Director of Administrative Services
Donna DiLaura, Executive Secretary
Manuel Rodriguez, General Services Supervisor/Safety Officer
Jim Ciampa, Legal Counsel

DIRECTORS ABSENT:

None

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

Guests and others in attendance: Directors David De Jesus and Joe Ruzicka, both from Three Valley's Municipal Water District (TVMWD) and Mr. Jayson Schmitt, from Chandler Asset Management.

Item 3: Public Comment –President Wu

- ◆ No comments were offered. (Item 3)

Item 4: Special Business – President Wu

- ◆ Ms. Olson introduced Mr. Manuel “Manny” Rodriguez, General Services Supervisor/Safety Officer, and announced that Mr. Rodriguez has completed the JPIA Supervisors Basic Certification Program. The Board commended Mr. Rodriguez on his hard work and congratulated him on completing the program. Additionally, the Board presented him with a plaque from JPIA.
- ◆ The Board presented the Water Drop Award to Past-President Kwong, in appreciation of her service as the 2016 Board President. Director Kwong thanked staff and her fellow Board members for their support and assistance during her tenure.

Item 5: Additions to the Agenda –President Wu

- ◆ There were no requests. (Item 4)

Item 6: Reorder of Agenda –President Wu

- ◆ There were no requests. (Item 5)

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 January 17, 2017, the minutes of the special Board meeting held January 19, 2017, the check register, the WVWD Employee Expense Reimbursements Report indicating monthly WVWD employee expense reimbursements, and the Community Outreach Update. (Items 7-1, 2, 3, 4 and 5)

Motion No. 17-02-1037: Upon consideration thereof, it was moved by Director Kwong seconded by Director Hilden and unanimously carried (5-0), to approve the Consent Calendar, including the minutes of the regular Board meeting held January 17, 2017, the minutes of the special Board meeting held January 19, 2017, the check register, the WVWD Employee Expense Reimbursements Report indicating monthly WVWD employee expense reimbursements, and the Community Outreach Update. (Items 7-1, 2, 3, 4 and 5)

President Wu indicated Motion No. 17-02-1037 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 January 2017. (Item 8)

Motion No. 17-02-1038: 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 and additional expenses incurred by the District on behalf of each Director for events occurring during the month of January 2017. (Item 8)

President Wu indicated Motion No. 17-02-1038 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 January 31, 2017; the District's Statement of Net Assets as of January 31, 2017; and the Summary of Cash Investments as of January 31, 2017. (Items 9 A-C)

Motion No. 17-02-1039: 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 January 31, 2017, the District Statement of Net Assets as of January 31, 2017, and the Summary of Cash and Investments as of January 31, 2017. (Item 9)

President Wu indicated Motion No. 17-02-1039 was approved by a (5-0) vote

Committee Chair Reports

Item 10: Engineering & Special Projects Committee – Director Ebenkamp

- ◆ The Board was asked to consider award of a labor and materials contract to Spiess Construction Co., Inc. for Sylvan Glen Reservoir Seismic Retrofit and Site Improvements and Notice of Exemption (P.N. 14-3363). (Item 10-A)

<u>Contractor</u>	<u>Bid</u>
Spiess Construction Co., Inc.	\$ 982,660
J.F. Shea Construction, Inc.	1,172,380
Doty Bros. Equipment Co.	1,193,311
W.A. Rasic Construction	1,332,800
[Engineers Estimate	\$ 842,951]

Motion No. 17-02-1040: Upon consideration thereof, it was moved by Director Lee, seconded by Director Ebenkamp and unanimously carried (5-0), to authorize the General Manager to execute a contract for labor and materials to Spiess Construction Co., Inc. in the amount of \$982,660 per the bid results listed below for Sylvan Glen Reservoir Seismic Retrofit and Site Improvements (P.N. 14-3363); to find the project is exempt pursuant to CEQA Guidelines Categorical Exemption Section 15282; and to authorize staff to file a Notice of CEQA Exemption for the subject project with the Office of the Los Angeles County Registrar-Recorder/County Clerk.

<u>Contractor</u>	<u>Bid</u>
Spiess Construction Co., Inc.	\$ 982,660
J.F. Shea Construction, Inc.	1,172,380
Doty Bros. Equipment Co.	1,193,311
W.A. Rasic Construction	1,332,800
[Engineers Estimate	\$ 842,951]

(Item 10-A)

President Wu indicated Motion No. 17-02-1040 was approved by a (5-0) vote

- ◆ The Board was asked to consider authorizing additional compensation of \$16,351 to Lee & Ro, Inc. for changes to the design of the Sylvan Glen Reservoir Seismic Retrofit and Site Improvements Project (P.N. 14-3363). (Item 10-B)

Motion No. 17-02-1041: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden and unanimously carried (5-0), to authorize additional compensation of \$16,351 to Lee & Ro, Inc. for changes to the design of the Sylvan Glen Reservoir Seismic Retrofit and Site Improvements Project (P.N. 14-3363). (Item 10-B)

President Wu indicated Motion No. 17-02-1041 was approved by a (5-0) vote

- ◆ The Board received a verbal update, along with pictures, on storm damage in the Fern Hollow neighborhood. As this was an informational item only, Board action was not needed. (Item 10-C)

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)

Item 12: Finance Committee – President Wu

- ◆ Mr. Jayson Schmitt of Chandler Asset Management reviewed current economic conditions and provided an update on the firm's investment activities on behalf of the District.
- ◆ The Board was asked to receive, approve, and file the January 2017 Consolidated Investments Transaction Report included in the Board packet. (Item 12-A)

Motion No. 17-02-1042: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Ebenkamp and unanimously carried (5-0), to receive, approve, and file the District's Consolidated Investment Transactions Report for the period of January 1, 2017, through January 31, 2017, including the report made by Jayson Schmitt of Chandler Asset Management. (Item 12-A)

President Wu indicated Motion No. 17-02-1042 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 January 2017. As this was an informational item only, Board action was not needed. (Item 12-B)

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

- ◆ There were no Public Information/Community Relations/Legislative Action Committee items to come before the Board as this time.

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 January 18, 2017. (Item 14-A)
- ◆ The Board received a general update on TVMWD activities and TVMWD Director DeJesus reported briefly on repairs underway at Lake Oroville. He noted that the repairs will not impact TVMWD deliveries. (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. (Item 15)
- ◆ Mr. Hitchman provided a report on a valve repair on the P-W-R Joint Water Line, and commended District and Doty Bros. field crews for their efforts. The water line was returned to service this morning.

Item 16: Puente Basin Water Agency –Director Ebenkamp

- ◆ The Board received a verbal report on the February 7, 2017 meeting. (Item 16)

Item 17: General Manager’s Report

- ◆ The Board received a follow-up report on prior Board actions. (Item 17-A) Ms. Olson highlighted a few activities, such as the Board sponsored BBQ and the Poster Judging.
- ◆ The Board received the District’s activities calendars for March, April, and May 2017. (Item 17-B)
- ◆ Mr. Hitchman reminded the Board of the Spadra Basin Groundwater Sustainability Agency Public Hearing scheduled for February 28, 2017, at 6:30 p.m., in the Board Room.

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, 2016-17 climate summary, and 2017 monthly water consumption versus the 2013 baseline year. Staff made note that the District’s water usage for January 2017 was 17.05% lower than usage in January 2013 (the state’s “benchmark” year for current conservation analysis). (Item 18-B)
- ◆ The Board viewed reports on California’s water supply and reservoir conditions as of February 13, 2017. (Item 18-D)
- ◆ The Board received an update on the State Water Resources Control Board Emergency Regulations: *Implementing Executive Order B-37-16*. (Item 18-D)

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 Regional Chamber Government Affairs Committee meeting and a TVMWD Board meeting.
- ◆ In addition to District committee and Board meetings previously reported, Director Hilden stated that he attended one TVMWD Board meeting, the District’s Awards Banquet and a SCWUA luncheon.
- ◆ In addition to attending District committee and Board meetings, Director Lee stated that she also attended the Taiwanese-American Chamber of Commerce New Year Party, the 2017 UAAA Global Cup Competition and the District’s Awards Banquet.
- ◆ Director Kwong reported that she attended the WVWD Personnel Committee meeting.
- ◆ In addition to the District committee and Board meetings, President Wu reported that he had attended CALNET Leadership Training, the Taiwanese-American Chamber of Commerce New Year Party, one day of President’s duty, and the District’s Award Banquet.

Item 20: Legal Reports

- ◆ Mr. Ciampa reported briefly that February 17, 2017, was the last day for legislators to introduce new bills for the current legislative session. He noted that over 2,500 bills were introduced in the State Assembly and Senate, with many of those being “spot bills.” Mr. Ciampa noted that Senator Hertzberg has introduced a bill relating to public goods charges. Staff will provide updates on that bill and others that may affect the District as more information becomes available.

Item 21: Items for Future Discussion

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

Item 22: Board of Directors Business

- ◆ After an explanation from staff, the Board was asked to approve the revised minutes of the regular Board meeting held on November 14, 2016. (Item 22)

Motion No: 17-02-1043 *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Kwong and unanimously carried (5-0) to approve the revised minutes of the regular Board meeting held on November 14, 2016. (Item 22-A)*

President Wu indicated Motion No. 17-02-1043, was approved by a (5-0) vote

- ◆ The Board was asked to adopt Resolution Nos. 01-17-637, 01-17-638, and 01-17-639, concurring in the nominations to the ACWA/JPIA Executive Committee for Ms. Kathleen Tiegs, Mr. Thomas A. Cuquet, and Ms. Melody Henriques-McDonald. (Item 22-B)

Motion No. 17-02-1044: *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 Nos. 02-17-637, 02-17-638 and 02-17-639, concurring in the nominations to the ACWA/JPIA Executive Committee for Ms. Kathleen Tiegs, Mr. Thomas A. Cuquet, and Ms. Melody Henriques-McDonald, respectively. (Item 22-B)*

AYES: Ebenkamp, Hilden, Kwong, Lee and Wu

NOES: None

ABSTAIN: None

ABSENT: None

President Wu indicated Motion No. 17-02-1044, approving Resolution Nos. 01-17-637, 01-17-638, and 01-17-639 were approved by a (5-0) roll call vote

- ◆ The Board was asked to review the General Manager's Fiscal Year 2016-17 Work Plan quarterly update; make recommendations and/or revisions, and receive, accept, and file the report. (Item 22-C)

Motion No. 17-02-1045: *Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried (5-0), to receive, approve, and file the General Manager's Fiscal Year 2016-17 Work Plan quarterly update. (Item 22-C)*

President Wu indicated Motion No. 17-02-1045 was approved by a (5-0) vote

- ◆ The Board received an update on the cost of water delivered in the Main San Gabriel Basin in 2016. Mr. Hitchman referenced Board action taken at the January regular Board meeting, authorizing the General Manager to pay an additional charge of \$5 per acre-foot, if required. Mr. Hitchman reported that the actual charge is \$2 per acre-foot, to cover a one-time surcharge billed by the Metropolitan Water District on water delivered through connection USG-3. (Item 22-D)

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 – 6:36 p.m. (Item 4)**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 – 7:06 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: 17-02-1046: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden and unanimously carried (5-0), to adjourn the meeting.*

President Wu indicated Motion No. 17-02-1046 was approved by a (5-0) vote

Adjournment at 7:07 p.m.