

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

**January 16, 2018
At the Offices of the District**

DIRECTORS PRESENT:

Theodore L. Ebenkamp
Edwin Hilden
Scarlett Kwong
Theresa Lee
Allen Wu (arrived at 5:25p.m.)

DIRECTORS ABSENT:

None.

STAFF PRESENT:

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

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

Guests and others in attendance: Three Valleys Municipal Water District Director Joe Ruzicka, and Three Valleys Municipal Water District Chief Financial Officer Mr. James Linthicum.

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: Consider Approval of Consent Calendar

- ◆ The Board was asked to approve the Consent Calendar, including: the minutes of the special Board meetings held December 4, 2017 and December 12, 2017, regular Board meeting held December 18, 2017, the check register, the WVWD Employee Expense Reimbursement Report, and the Community Outreach Update. (Items 6-1, 2, 3, 4, 5 and 6)

Motion No. 18-01-1176: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Lee and unanimously carried (4-0), to approve the Consent Calendar, including the minutes of the special Board meetings held December 4, 2017 and December 12, 2017, the regular Board meeting held December 18, 2017, the check register, the WVWD Employee Expense Reimbursement Report, and the Community Outreach Update. (Items 6-1, 2, 3, 4, 5 and 6)

President Ebenkamp indicated Motion No. 18-01-1176 was approved by a (4-0) vote

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 for events occurring during December 2017. (Item 8)

Motion No. 18-01-1177: Upon consideration thereof, it was moved by Director Kwong, 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 December 2017. (Item 8)

President Ebenkamp indicated Motion No. 18-01-1177 was approved by a (4-0) vote

Item 7: Treasurer's Report

- ◆ Mr. Teuber reviewed the District Statement of Revenues, Expenses, and Change in Net Assets as of December 31, 2017; the District's Statement of Net Assets as of December 31, 2017; and the Summary of Cash Investments as of December 31, 2017. (Items 7 A-C)

Motion No. 18-01-1178: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Lee and unanimously carried (4-0), to receive, approve, and file the District's Statement of Revenues, Expenses, and Change in Net Assets as of December 31, 2017, the District's Statement of Net Assets as of December 31, 2017, and the Summary of Cash and Investments as of December 31, 2017. (Item 7)

President Ebenkamp indicated Motion No. 18-01-1178 was approved by a (4-0) vote

Committee Chair Reports

Item 9: Engineering & Special Projects Committee – Director Lee

- ◆ The Board was asked to consider award of a contract for labor and materials to Advanced Industrial Services, Inc., for the Oakleaf Canyon Reservoirs Painting and Recoating Program FY 2017-18 (P.N. 17-3501), to find that the project is exempt pursuant to CEQA Guidelines Categorical Exemption Section 15301; to authorize staff to file a Notice of Exemption for the subject project with the Office of the Los Angeles County Registrar-Recorder/County Clerk, and to authorize the appropriation of an additional \$260,000 from the Reserve for Replacement Fund. (Item 9)

Motion No. 18-01-1179: Upon consideration thereof, it was moved by Director Lee, seconded by Director Hilden and unanimously carried (4-0), to authorize the General Manager to award the contract to Advanced Industrial Services, Inc. (AIS) in the amount of \$569,900 for the Oakleaf Canyon Reservoirs Painting and Recoating Program, find the project is exempt pursuant to CEQA Guidelines Categorical Exemption Section 15301; to authorize staff to file a Notice of Exemption for the subject project with the Office of the Los Angeles County Registrar-Recorder/County Clerk, and to authorize the appropriation of an additional \$260,000 from the Reserve for Replacement Fund. (Item 9)

President Ebenkamp indicated Motion No. 18-01-1179 was approved by a (4-0) vote

Item 10: Personnel Committee – Director Hilden

- ◆ The Board received an update on the District's Wellness Program for Calendar Year 2018. As this was an informational item only, Board action was not needed. (Item 10-A)
- ◆ The Board received an update on the Employee Banquet. As this was an informational item only, Board action was not needed. (Item 10-B)

Item 11: Finance Committee – Director Wu

(Approval of Finance Committee Items was deferred to after Item 18 and were considered at approximately 5:32 p.m.)

- ◆ The Board was asked to consider approval of the FY 2016-17 Source and Application of Funds.

Motion No. 18-01-1180: Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried (5-0), to approve the FY 2016-17 Source and Application of Funds, totaling \$4,238,000, in the respective fund amounts presented to the Board of Directors. (Item 11-A)

President Ebenkamp indicated Motion No. 18-01-1180 was approved by a (5-0) vote

- ◆ The Board was asked to receive, approve, and file the December 2017 Consolidated Investments Transaction Report included in the Board packet. (Item 11-B)

Motion No. 18-01-1181: Upon consideration thereof, it was moved by Director Wu, seconded by Director Lee and unanimously carried (5-0), to receive, approve, and file the District's Consolidated Investment Transactions Report for the period of December 1, 2017 through December 31, 2017. (Item 11-B)

President Ebenkamp indicated Motion No. 18-01-1181 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 December 31, 2017. As this was an informational item only, Board action was not needed. (Item 11-C)
- ◆ The Board was provided with the Fiscal Year 2018-19 Budget Meeting Schedule. As this was an informational item only, Board action was not needed. (Item 11-D)

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

(Approval of Public Information/Community Relations/Legislative Action Committee Items was deferred to after the Finance Committee items and those items were considered at approximately 5:45 p.m.)

- ◆ The Board received an update on California Long-term Water Conservation legislation. As this was an informational item only, Board action was not needed. (Item 12-A)
- ◆ The Board received an update on AB 792 (Frazier) – Delta Stewardship Council. As this was an informational item only, Board action was not needed. (Item 12-B)

Other Items

Item 13: TVMWD/MWD – Director Hilden

- ◆ The Board received the Three Valleys Municipal Water District (TVMWD) 'Action Line' report for the Board meeting held on January 3, 2018. (Item 13)

Item 14: The P-W-R Joint Water Line Commission

- ◆ Mr. Hitchman reviewed the P-W-R Joint Water Line Commission water use reports for the month of December included in the Board packet. (Item 14)

Item 15: Puente Basin Water Agency – Director Lee

- ◆ The Board was asked to ratify the “Old Baldy” Agreement between the City of La Verne and the Puente Basin Water Agency. (Item 15)

Motion No. 18-01-1182: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Lee and unanimously carried (4-0), to approve the “Old Baldy” Agreement as presented. (Item 15)*

President Ebenkamp indicated Motion No. 18-01-1182 was approved by a (4-0) vote

Item 16: General Manager’s Report

- ◆ The Board received a follow-up report on prior Board actions. (Item 16-A)
- ◆ The Board received the District’s activities calendars for February, March and April 2018. (Item 16-B)

Item 17: Water Supply and Drought

- ◆ The Board received a report on the District’s drought and water conservation outreach efforts. (Item 17-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 December 2017 was 8.52% higher than usage in December 2013. (Item 17-B)
- ◆ The Board viewed reports on California’s water supply and reservoir conditions as of January 8, 2018. (Item 17-C)

Director Wu joined the meeting at 5:25 p.m. and Items 11 and 12 were then considered, as noted above.

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.) (Item 18)

- ◆ In addition to District committee and Board meetings previously reported, Director Ebenkamp noted his attendance at a TVMWD Board meeting, a Puente Basin Water Agency (PBWA) Commission meeting, and the City of Walnut Mayor’s Volunteer Appreciation Reception.
- ◆ In addition to the District committee and Board meetings, Director Wu reported that he had attended an MWD “Water is Life” event, a President’s Duty event, the City of Walnut Mayor’s Volunteer Appreciation Reception, and a Water Use Webcast: Recycled Water Use in Agriculture.
- ◆ In addition to District committee and Board meetings previously reported, Director Hilden stated that he attended a TVMWD Board meeting.
- ◆ In addition to the District committee and Board meetings, Director Kwong reported that she attended a CEO Immigration Briefing event.
- ◆ As noted on her expense report, in addition to attending District committee and Board meetings, Director Lee also attended the PBWA Commission meeting, an MWD “Water is Life” event, and the Heart of Hope Christmas Concert.

Item 19: Legal Reports

- ◆ Mr. Ciampa reported Governor Brown’s administration appears to be introducing a budget trailer bill that would enact a public goods charge or tax on water, similar to what is proposed in SB 623. That budget trailer bill has not yet been publicly published and thus Mr. Ciampa stated he would continue to monitor that bill. (Item 19)

Item 20: Items for Future Discussion

- ◆ There were no requests made.

Item 21: Board of Directors Business

- ◆ The Board was asked to advise President Ebenkamp regarding the District’s vote for candidates to fill: 1) The Special District LAFCO Representative, and, 2) The LAFCO Alternate positions for the term expiring in May 2018. The General Manager provided a brief overview of the ballot process. No official Board action is required. (Item 21-A)
- ◆ The Board was asked to ratify the 2018 Commission and Agency appointments and adoption of Resolution No. 01-18-647 and 01-18-648, appointing representatives to the PBWA and P-W-R Joint Water Line. (Item 21-B)

Motion No. 18-01-1183: *Upon consideration thereof, it was moved by Director Wu, seconded by Director Kwong, and unanimously carried (5-0) to ratify the 2018 Commission and Agency appointments. (Item 21-B)*

President Ebenkamp indicated Motion No. 18-01-1183 was approved by a (5-0) vote

Motion No. 18-01-1184: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Lee, and unanimously carried (5-0) to appoint Director Kwong as the District’s representative to P-W-R Joint Water Line, and Director Hilden as the District’s alternate representative, and adopt Resolution No. 01-18-647 confirming said appointments. (Item 21-B)*

Yes: Ebenkamp, Hilden, Kwong, Lee and Wu

No: None

Absent: None

Abstain: None

Motion Passed (5-0)

President Ebenkamp indicated Motion No. 18-01-1184 was approved by a (5-0) roll call vote

Motion No. 18-01-1185: *Upon consideration thereof, it was moved by Director Kwong, seconded by Director Lee, and unanimously carried (5-0) to appoint Director Ebenkamp as the District's representative to PBWA, and Director Lee and Director Kwong as the District's alternate representatives, and adopt Resolution No. 01-18-648 confirming said appointments. (Item 21-B)*

Yes: Ebenkamp, Hilden, Kwong, Lee and Wu

No: None

Absent: None

Abstain: None

Motion Passed (5-0)

President Ebenkamp indicated Motion No. 18-01-1185 was approved by a (5-0) roll call vote

- ◆ The Board received a copy of 2018 Board meeting and workshop dates approved December 18, 2017 previously provided, for informational purposes only. (Item 21-C)
- ◆ The Board received a list of 2018 Committee Assignments, for informational purposes only. (Item 21-D)

Item 22: Public Comment on Closed Session

- ◆ There were no requests to comment on either open or closed session items. (Item 22)

Item 23: Adjourn to Closed Session – 5:55 p.m. (Item 23)

Item 24: 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)
- B. The Board met in closed session in accordance with Government Code [§54957] to discuss one Public Employee Discipline/Dismissal/Release matter.

Item 25: 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 25-A)
- B. The Board met in closed session in accordance with Government Code [§54957] to discuss one Public Employee Discipline/Dismissal/Release matter. The Board was informed that General Manager Holmes was retiring from the District, effective April 5, 2018. . (Item 25-B)

Adjournment at 6:48 p.m.

Motion No: 18-01-1186 *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu and unanimously carried (5-0), to adjourn the meeting.*

President Ebenkamp indicated Motion No. 18-01-1186 was approved by a (5-0) vote