

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

**January 17, 2017
At the Offices of the District**

DIRECTORS PRESENT:

Theodore L. Ebenkamp
Edwin Hilden
Theresa Lee
Allen Wu

DIRECTORS ABSENT:

Scarlett Kwong

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
Stephanie Fu, Customer Service Representative I
Jim Ciampa, Legal Counsel

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

Guests and others in attendance: Directors David De Jesus and Joe Ruzicka, and Mr. James Linthicum, all from Three Valley's Municipal Water District (TVMWD).

Item 3: Public Comment –President Wu

- ◆ TVMWD Director DeJesus wished everyone Happy New Year. (Item 3)

Item 4: Introduction of Stephanie Fu, Customer Service Representative I, on the Occasion of Completing the Probationary Period for New Employees

- ◆ Ms. Olson and Mr. Teuber introduced Ms. Stephanie Fu to the Board, and shared a brief biography of her education, work experience and interests. The Board congratulated Ms. Fu on completing the probationary period, and welcomed her to the District.

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 December 20, 2016, 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, and 4)

Motion No. 17-01-1019: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Ebenkamp and unanimously carried (4-0), to approve the Consent Calendar, including the minutes of the regular Board meeting held December 20, 2016, the check register, and the WVWD Employee Expense Reimbursements Report indicating monthly WVWD employee expense reimbursements, and the Community Outreach Update. (Items 7-1, 2, 3 and 4)

President Wu indicated Motion No. 17-01-1019 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 December 2016. (Item 8)

Motion No. 17-01-1020: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Lee 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 2016. (Item 8)

President Wu indicated Motion No. 17-01-1020 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 December 31, 2016; the District's Statement of Net Assets as of December 31, 2016; and the Summary of Cash Investments as of December 31, 2016. (Items 9 A-C)

Motion No. 17-01-1021: 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 December 31, 2016, the District Statement of Net Assets as of December 31, 2016, and the Summary of Cash and Investments as of December 31, 2016. (Item 9)

President Wu indicated Motion No. 17-01-1021 was approved by a (4-0) vote

Committee Chair Reports

Item 10: Engineering & Special Projects Committee – Director Ebenkamp

- ◆ There were no Engineering & Special Projects Committee matters to come before the Board at this time. (Item 10)

Item 11: Personnel Committee – Director Hilden

- ◆ The Board was asked to accept the District's employee disability and life insurance coverage renewal proposal from Reliance Standard, which includes a two-year rate guarantee for the District's life insurance coverage, and short and long term disability coverages, effective March 1, 2017 through February 28, 2019. (Item 11-A)

Motion No. 17-01-1022: *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Ebenkamp and unanimously carried (4-0), to approve the proposal from Reliance Standard for renewal of the District's employee life insurance coverage, and employee short and long term disability coverages (effective March 1, 2017 through February 28, 2019), with a two-year rate guarantee. (Item 11-A)*

President Wu indicated Motion No. 17-01-1022 was approved by a (4-0) vote

- ◆ The Board received an update on the 2017 WVWD Employee Recognition Event. 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 approve the proposed Reserve Funding for PERS Liabilities. (Item 12-A)

Motion No. 17-01-1023: *Upon consideration thereof, it was moved by President Wu, seconded by Director Hilden and unanimously carried (4-0), to approve the proposed Reserve Funding for PERS Liabilities in the amount presented to the Board of Directors. (Item 12-A)*

President Wu indicated Motion No. 17-01-1023 was approved by a (4-0) vote

- ◆ The Board was asked to approve the proposed revisions to the Cash Reserve Policy. (Item 12-B)

Motion No. 17-01-1024: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Lee and unanimously carried (4-0), to approve the proposed revisions to the Cash Reserve Policy in the form presented to the Board of Directors. (Item 12-B)*

President Wu indicated Motion No. 17-01-1024 was approved by a (4-0) vote

- ◆ The Board was asked to approve the FY 2015-16 Source and Application of Funds. (Item 12-C)

Motion No. 17-01-1025: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden and unanimously carried (4-0), to approve the FY 2015-16 Source and Application of Funds, in the amounts presented to the Board of Directors. (Item 12-C)*

President Wu indicated Motion No. 17-01-1025 was approved by a (4-0) vote

- ◆ The Board was asked to approve the Transfer of Funds for the Cost-of-Living-Adjustment "COLA" Buyback. (Item 12-D)

Motion No. 17-01-1026: *Upon consideration thereof, it was moved by Director Lee, seconded by Director Hilden and unanimously carried (4-0), to approve Transfer of Funds for Cost-of-Living-Adjustment "COLA" Buyback in the amounts presented to the Board of Directors. (Item 12-D)*

President Wu indicated Motion No. 17-01-1026 was approved by a (4-0) vote

- ◆ The Board was asked to approve the Infosend Contract Renewal. (Item 12-E)

Motion No. 17-01-1027: *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Ebenkamp and unanimously carried (4-0), to approve the Infosend Contract Renewal in accordance with the terms presented to the Board of Directors. (Item 12-E)*

President Wu indicated Motion No. 17-01-1027 was approved by a (4-0) vote

- ◆ The Board was asked to receive, approve, and file the December 2016 Consolidated Investments Transaction Report included in the Board packet. (Item 12-F)

Motion No. 17-01-1028: *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 December 1, 2016 through December 31, 2016. (Item 12-F)*

President Wu indicated Motion No. 17-01-1028 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 December 2016. As this was an informational item only, Board action was not needed. (Item 12-G)
- ◆ Mr. Teuber reviewed the Preliminary 2017-18 Budget Meeting Schedule. As this was an informational item only, Board action was not needed. (Item 12-H)

Following discussion of Finance Committee business, President Wu commended staff, particularly Mr. Teuber, on their hard work and diligence in overseeing the District's financial resources.

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

- ◆ The General Manager reviewed the proposed State Water Resources Control Board Lead Sampling in Schools Program, and the District's responsibilities and tasks thereof. As this was an informational item only, Board action was not requested. (Item 13-A)

Other Items

Item 14: TVMWD/MWD – Director Hilden

- ◆ The Board received a general update on TVMWD activities, and TVMWD Director DeJesus reported briefly on current water supply related projects and items for discussion at the January 18, 2017, TVMWD Board meeting. (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 reports included in the Board packet. (Item 15)

Item 16: Puente Basin Water Agency –Director Ebenkamp

- ◆ The Board was informed that the PBWA Commission renewed its consulting contract with Ms. Wendy La, relative to Proposition 1 funding strategies. Ms. La's contract was extended to December 2018. It was noted that the next PBWA Commission meeting is scheduled for February 7, 2017. (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 February, March and April 2017. (Item 17-B)

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 2015-16 purchase water projections, conservation goal summary, 2015-16 climate summary, and 2016 monthly water consumption versus the 2013 baseline year. Staff made note that the District's water usage for December 2016 was 19.54% lower than usage in December 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 January 10, 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 TVMWD Board meeting and a PBWA meeting.
- ◆ In addition to District committee and Board meetings previously reported, Director Hilden stated that he attended one TVMWD Board meeting and Congressman Ed Royce's reception and DC update.
- ◆ In addition to attending District committee and Board meetings, Director Lee stated that she also attended the 2016 Heart of Hope Christmas Dinner Party.
- ◆ In addition to the District committee and Board meetings, President Wu reported that he had attended MWD's Water Conservation Student Artists Event, webcast training *Emerging Legal Issues: A Lead and Legionella Trend*, and the ACWA Conference.

Item 20: Legal Reports

- ◆ Mr. Ciampa reported on the California Supreme Court's 12/29/2016 decision on *Los Angeles County Board of Supervisors v. Superior Court*, a case that concerned the disclosure under the Public Records Act of law firm invoices. Under that decision, law firm time entries on litigated matters that have been concluded are subject to disclosure under the Public Records Act.
- ◆ Additionally, Mr. Ciampa reported that staff has discovered that a number of online utility payment service providers include a link to the District's online payment system. Generally speaking, the providers appear to be legitimate companies that offer a variety of online payment services. He noted

that, to date, the District has not received any complaints from customers about missing payments. Going forward, staff will continue to monitor the websites, continue with customer education as to the use of such sites, and provide customer support when needed.

Item 21: Items for Future Discussion

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

Item 22: Board of Directors Business

- ◆ In accordance with the Puente Basin Water Agency Joint Powers Agreement and the Pomona-Walnut-Rowland (P-W-R) Joint Water Line Commission Bylaws, the Board was asked to adopt resolutions appointing District representatives to these agencies. (Item 22)

Motion No. 17-01-1029: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden and unanimously carried (4-0) by the roll call vote noted below, to adopt Resolution No. 01-17-635, appointing Director Scarlett Kwong as representative and Director Edwin Hilden as alternate representative to serve on the P-W-R Joint Water Line Commission; and to adopt Resolution No. 01-17-636 appointing Directors Theodore Ebenkamp and Theresa Lee as representatives, and Director Scarlett Kwong as alternate representative, to serve on the Commission of the Puente Basin Water Agency. (Item 22)*

Aye: Ebenkamp, Hilden, Lee, Wu

No: None

Absent: Kwong

President Wu indicated Motion No. 17-01-1029, approving Resolution Nos. 01-17-635 and 01-17-636, by a (4-0) roll call vote, with Director Kwong absent

- ◆ The Board was asked to adopt Resolution No. 01-17-634 rescheduling the District elections from odd-numbered years to even-numbered years' elections to initially coincide with, and be considered with, the 2018 California statewide general election as mandated in Assembly Bill 1535. (Item 22-B)

Motion No. 17-01-1030: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden and unanimously carried (4-0) by the roll call vote noted below, to adopt Resolution No. 01-17-634, rescheduling the District elections from odd-numbered years to even-numbered years' elections to initially coincide with, and be considered with, the 2018 California statewide general election as mandated in Assembly Bill 1535. (Item 22-B)*

President Wu indicated Motion No. 17-01-1030, approving Resolution No. 01-17-634, by a (4-0) roll call vote, with Director Kwong absent

- ◆ The Board was asked to authorize the General Manager to pay an additional charge of \$5 per acre-foot, if required, for the recently purchased 6,000 acre-feet of water delivered in the Main San Gabriel Basin. (Item 22-C)

Motion No. 17-01-1031: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden, and unanimously carried (4-0) to authorize the General Manager to pay an additional charge of \$5 per acre-foot, if required, for the recently purchased 6,000 acre-feet of water delivered in the Main San Gabriel Basin. (Item 22-C)*

President Wu indicated Motion No. 17-01-1031 was approved by a (4-0) vote

- ◆ The Board was asked to receive and file the Pomona-Walnut-Rowland Joint Water Line Commission Audit Report for the year-ended June 30, 2016, and the Puente Basin Water Agency Audit Report for the year-ended June 30, 2016. (Item 22-D)

Motion No. 17-01-1032: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden and unanimously carried (4-0), receive and file the Pomona-Walnut-Rowland Joint Water Line Commission Audit Report for year-ended June 30, 2016, and the Puente Basin Water Agency Audit Report for year-ended June 30, 2016. (Item 22-D)*

President Wu indicated Motion No. 17-01-1032 was approved by a (4-0) vote

- ◆ The Board received an election notice of the ACWA/JPIA Executive Committee and no director expressed interest in participating in the nominating process. (Item 22-E)

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 – 6:53 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 – Four Potential Cases. (Item 25-A)

Item 26: Reconvene in Open Session/Report of Action Taken in Closed Session – 7:40 p.m.

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

Adjournment at 7:40 p.m.

Motion No: 17-01-1033: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden and unanimously carried (4-0), to adjourn the meeting.*

President Wu indicated Motion No. 17-01-1033 was approved by a (4-0) vote