

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

**June 14, 2016
At the Offices of the District**

DIRECTORS PRESENT:

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

STAFF PRESENT:

Michael Holmes, General Manager
Erik Hitchman, Assistant General Manager/Chief Engineer
Sandra Olson, Director of Administrative Services
Brian Teuber, Director of Finance
Gabriela Sanchez, Administrative Services Manager
Jim Ciampa, Legal Counsel

DIRECTORS ABSENT:

None

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

Guests and others in attendance: Three Valleys Municipal Water District Director David De Jesus, Joe Ruzicka and Assistant General Manager Kirk Howie; Civiltec Engineering, Inc. Mr. Greg Ripperger; Willdan Financial Services representative Ms. Maureen Coleman.

Item 3: Public Comment –President Kwong

- ◆ There were no requests.

Item 4: Additions to the Agenda –President Kwong

- ◆ There were no requests.

Item 5: Reorder of Agenda –President Kwong

- ◆ There were no requests.

Item 6: Public Hearing: Consideration to Adopt the 2015 Urban Water Management Plan

- ◆ President Kwong opened the public hearing to receive comments regarding the adoption of the 2015 Urban Water Management Plan prepared by Civiltec Engineering, Inc. Ms. Olson summarized the activities held leading to the final phase of the development of the 2015 UWMP. Mr. Ripperger, representative of Civiltec Engineering, Inc., reviewed the draft 2015 UWMP and made note of the recommended corrections made by the Board and staff. There were no requests to make public comments. President Kwong then closed the public hearing. (Items 6-A, B, C, D)
- ◆ The Board then was asked to adopt the 2015 Urban Water Management Plan as revised. (Item 6-E)

Motion No. 16-06-928: *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu and unanimously carried (5-0), to adopt the 2015 Urban Water Management Plan, as revised, and to direct staff to submit the updated 2015 UWMP to the Department of Water Resources by the June 30, 2016, deadline. (Items 6-E)*

President Kwong indicated Motion No. 16-06-928 was approved by a (5-0) vote

- ◆ Legal Counsel noted the need to formally adopt the 2015 UWMP by resolution. Therefore, staff indicated that consideration of adoption by resolution will be placed on the June 16, 2016, Special Board Meeting agenda for the Board approval.

Item 7: Public Hearing: Consideration of Annual Approval of the District's Standby Charge Report

- ◆ President Kwong opened the public hearing to receive comments regarding the Water Standby Charge Report prepared by Willdan Financial Services. Mr. Teuber reviewed the report, noting staff is recommending no change in the current assessment. A representative from Willdan Financial Services was present to answer questions; however, there were none. There were no requests to make public comment. President Kwong then closed the public hearing. (Items 7-A, B, C, D)
- ◆ The Board was then asked to approve staff's recommendation to continue its Standby Charge at the current rate and to receive and file the Water Standby Charge Report prepared by Willdan Financial Services. It was noted that the Board would consider adoption of a Resolution Establishing Water Standby Charges at the July 25, 2016 WWD Board meeting. (Item 7-E)

Motion No. 16-06-929: *Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried (5-0), to approve continuation of the District Standby Charge at its current rate and to receive and file the Water Standby Charge Report prepared by Willdan Financial Services. (Item 7-E)*

President Kwong indicated Motion No. 16-06-929 was approved by a 5-0 vote

Item 8: Consider Approval of Consent Calendar

- ◆ The Board was asked to approve the Consent Calendar, including the minutes of the regular Board meeting held May 16, 2016, and minutes of the Special Board meeting held May 26, 2016, the check register, and the WVWD Employee Expense Reimbursements Report indicating monthly WVWD employee expense reimbursements exceeding the amount of \$100. (Items 8-1, 2, 3, 4)

Motion No. 16-06-930: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden and unanimously carried (5-0), to receive, approve, and file the Consent Calendar including the minutes of the regular Board meeting held May 16, 2016, and Special Board meeting held May 26, 2016, the check register, and the WVWD Employee Expense Reimbursements Report indicating monthly WVWD employee expense reimbursements exceeding the amount of \$100. (Items 8-1, 2, 3, 4)*

President Kwong indicated Motion No. 16-06-930 was approved by a (5-0) vote

Item 9: 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 May 2016.

Motion No. 16-06-931: *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu and unanimously carried (5-0), to receive, approve, and file the Board member expense reports for meeting attendance during the month of May 2016. (Item 9)*

President Kwong indicated Motion No. 16-06-931 was approved by a (5-0) vote

Item 10: Treasurer's Report

- ◆ Mr. Teuber reviewed the District Statement of Revenues, Expenses, and Change in Net Assets as of May 31, 2016; the District Statement of Net Assets as of May 31, 2016; and the Summary of Cash Investments as of May 31, 2016. (Items 10-1, 2, 3)

Motion No. 16-06-932: *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu and unanimously carried (5-0), to receive and file the District Statement of Revenues, Expenses, and Change in Net Assets as of May 31, 2016; the Statement of Net Assets as of May 31, 2016; and the Summary of Cash and Investments as of May 31, 2016. (Items 10-1, 2, 3)*

President Kwong indicated Motion No. 16-06-932 was approved by a (5-0) vote

Committee Chair Reports**Item 11: Engineering & Special Projects Committee – Director Wu**

- ◆ The Board was asked to schedule a public hearing to be held during the July 25, 2016 Board meeting to receive comments regarding the District's 2013-15 Public Health Goals (PHG) report and, following the public hearing, to consider receiving, approving, and filing the report. (Item 11-A)

Motion No. 16-06-933: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and unanimously carried (5-0), to schedule a public hearing to be held during the July 25, 2016 Board meeting to receive comments regarding the District's 2013-2015 Public Health Goals report and, following the public hearing, to consider receiving, approving, and filing the report. (Item 11-A)*

President Kwong indicated Motion No. 16-06-933 was approved by a (5-0) vote

- ◆ The Board was asked to accept the work as installed for the Ridge Line Reservoir Water Main Extension (P.N. 14-3365), and SCADA System Update and Network Upgrade (P.N. 14-3351 & 14-3352) and to authorize the filing of a Notice of Completion with the office of the Los Angeles County Registrar-Recorder/County Clerk. (Item 11-B)

Motion No. 16-06-934: *Upon consideration thereof, it was moved by Director Wu, seconded by Director Ebenkamp and unanimously carried (5-0), to accept the work as installed for the Ridge Line Reservoir Water Main Extension (P.N. 14-3365), and SCADA System Update and Network Upgrade (P.N. 14-3351 & 14-3352), and to authorize the filing of a Notice of Completion with the office of the Los Angeles County Registrar-Recorder/County Clerk. (Item 11-B)*

President Kwong indicated Motion No. 16-06-934 was approved by a (5-0) vote

Item 12: Personnel Committee – Director Kwong

- ◆ There were no Personnel Committee items to bring before the Board at this time.

Item 13: Finance Committee – Director Wu

- ◆ The Board was asked to receive, approve, and file the May 2016 Consolidated Investments Transaction Report included in the Board packet. (Item 13-A)

Motion No. 16-06-935: Upon consideration thereof, it was moved by Director Wu, 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 May 1, 2016 through May 31, 2016. (Item 13-A)

President Kwong indicated Motion No. 16-06-935 was approved by a (5-0) vote

- ◆ Mr. Teuber reviewed the Revenue Bond Funds Held in Trust and detailed disbursement of bond proceeds reports for May 2016. As this was an informational item only, Board action was not needed. (Item 13-B)
- ◆ The Board was asked to approve the annual lump sum prepayment option of the CalPERS Annual Employer Unfunded Accrued Liability in the amount of \$490,977 and to direct staff to remit the payment to CalPERS by July 31, 2016. (Item 13-C)

Motion No. 16-06-936: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu and unanimously carried (5-0), to approve the annual lump sum prepayment option of the CalPERS Annual Employer Unfunded Accrued Liability in the amount of \$490,977, and to direct staff to remit the payment to CalPERS by July 31, 2016. (Item 13-C)

President Kwong indicated Motion No. 06-06-936 was approved by a (5-0) vote

Item 14: Public Information/Community Relations/Legislative Action Committee–Director Kwong

- ◆ At the request of Director Ebenkamp, Public Information/Legislative Action Committee member, the Board discussed the possibility of including a one-time August special water bill insert notifying WVWD customers of the Los Angeles County Fair's Community Days Program for the cities of Diamond Bar and Walnut, and the Rowland Heights area. Director Ebenkamp made note that the Fair expressed their willingness to pay for all printing and inserting fees associated with the distribution of this insert.
- ◆ The District's Billing Insert Policy was distributed for Board review, discussion, and consideration in allowing this one-time request to be included in the District's distribution of bills for the month of August. (Item 14-A)

Motion No: 16-06-937: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Lee and carried (3-2), with Directors Kwong and Wu voting "no," to include a one-time August special water bill insert notifying WVWD customers of the Los Angeles County Fair's Community Day's Program for the cities of Diamond Bar and Walnut, and the Rowland Heights area. (Item 14-A)

President Kwong indicated Motion No. 16-06-937, was approved by a (3-2) vote

- ◆ The Board was asked to authorize the General Manager to prepare and send a letter, by June 22, on behalf of the District, commenting on the State Water Resources Control Board's proposed drinking water fee structure. (Item 14-B)

Motion No: 16-06-938: Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and carried (5-0), to authorize the General Manager to prepare and send a letter, by June 22, 2016, on behalf of the District, commenting on the State Water Resources Control Board's proposed drinking water fee structure. (Item 14-B)

President Kwong indicated Motion No. 16-06-938, was approved by a (5-0) vote

- ◆ As a matter of information only, the Board was advised of the District's participation in a coalition letter dated June 3, 2016, opposing unless amended SB 554 (Wolk) regarding Delta levee subventions. As this was an informational item only, no Board action was taken on this matter. (Item 14-C)

Other Items

Item 15: TVMWD/MWD – Director Hilden

- ◆ The Board reviewed the TVMWD’s “Action Line” report of meeting activities from the Board meeting held on May 18, 2016.

Item 16: The P-W-R Joint Water Line Commission – Director Kwong

- ◆ The Board was advised that the P-W-R JWL report for water purchases for the month of May 2016 will be made available at the July Board meeting. Director Kwong then noted that the next commission meeting is scheduled for Thursday, June 16, at 4:00 p.m. (Item 16)

Item 17: Puente Basin Water Agency –Director Ebenkamp

- ◆ The Board received an update on matters discussed at the June 9, 2016, PBWA Commission meeting. (Item 17)

Item 18: General Manager’s Report

- ◆ The Board received a follow-up report on prior Board actions. (Item 18-A)
- ◆ The Board received the District’s activities calendars for June -August 2016. (Item 18-B)
- ◆ The Board was advised of the subject matter for the June 16, 2016, Board workshop, at 4:00 p.m. (Item 18-C)

Item 19: Water Supply and Drought

- ◆ The Board received a briefing on the proposed extended water conservation regulation for urban water suppliers and permanent conservation framework set forth by Governor Brown’s Executive Order B-37-16, including the District’s ability to self-certify with respect to its projected supplies and demands and resulting projected conservation factor. (Item 19-A)
- ◆ The Board received a report on the District’s drought and water conservation outreach efforts. (Item 19-B)
- ◆ 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 May 2016 was 27.52% lower than usage in May 2013. (Item 19-C)
- ◆ The Board viewed reports on California’s water supply and reservoir conditions as of June 8, 2016. (Item 19-D)

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.)

- ◆ Director Lee noted her attendance at District Board and committee meetings, and the PBWA Commission meeting previously reported on. She also stated that she attended the ACWA/JPIA Spring Conference in Monterey, CA, a Diamond Bar City Council meeting, Diamond Bar Chinese School Award Ceremony, the UAAA Annual Award Ceremony, and the District-sponsored ‘Water is Life’ poster and essay recognition event and Water Awareness Barbecue during the month of May.
- ◆ In addition to District committee and Board meetings previously reported on, Director Ebenkamp noted his attendance at a PBWA Commission meeting, a Diamond Bar City Council meeting, a SCWUA luncheon, and the District-sponsored ‘Water is Life’ poster and essay recognition event.
- ◆ In addition to District committee and Board meetings previously reported, Director Hilden stated that he attended City Council meetings for Diamond Bar and Walnut, a Diamond Bar Republican Women’s meeting, and a breakfast meeting hosted by Congressman Ed Royce. Additionally, Director Hilden advised that he attended the District-sponsored ‘Water is Life’ poster and essay recognition event.
- ◆ In addition to the District committee and Board meetings, and the PBWA meeting previously noted, Director Wu attended the WEF Collection Systems 2016 Conference in Atlanta, GA, the District-sponsored ‘Water is Life’ poster and essay recognition event, and lastly a Walnut City Council meeting.
- ◆ Director Kwong indicated that in addition to attending District committee and Board meetings, she attended the Chinese Elected Officials/World Journal’s L.A. County 4th District candidate forum and a Diamond Bar City Council meeting. She also indicated that she overlooked disclosing her participation in the judging of MWD ‘Water is Life’ posters and essays on her April 2016 expense report and therefore made note of these activities on her May 2016 expense report.

Item 21: Legal Reports

- ◆ Mr. Ciampa noted a closed session will follow the regular business meeting.

Item 22: Items for Future Discussion

- ◆ Director Hilden requested:
 - An update on the PBWA La Habra Heights County Water Project, the PBWA California Domestic Water Supply Reliability Program
 - PBWA water acquisition of Central Basin water rights,
 - in addition to a project update on WVWD headquarters building.
 - In light of the discussion held during review of the billing insert subject matter previously discussed under the Public Information/Legislative Action Committee report, Director Hilden requested that the Public Information/Legislative Committee revisit the WVWD Billing Insert Policy.

Item 23: Board of Directors Business

- ◆ There were no matters to discuss under Board of Directors Business.

Item 24: Public Comment on Closed Session

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

Item 25: Adjourn to Closed Session – 6:15 p.m.**Item 26: Closed Session – 6:33 p.m.**

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

Item 27: Reconvene in Open Session/Report of Action Taken in Closed Session – 6:37 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. No reportable action under the Brown Act was taken on these matters.

Adjournment at 6:38 p.m.

Motion No: 16-06-939: *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu and unanimously carried (5-0), to adjourn the meeting.*

President Kwong indicated Motion No. 16-06-939 was approved by a (5-0) vote