

**MINUTES OF A
PUBLIC HEARING AND REGULAR MEETING
OF A BOARD OF DIRECTORS OF
WALNUT VALLEY WATER DISTRICT**

**June 19, 2017
At the Offices of the District**

DIRECTORS PRESENT:

Theodore L. Ebenkamp
Edwin Hilden
Scarlett Kwong (5:56 p.m.)
Theresa Lee

STAFF PRESENT:

Mike Holmes, General Manager
Erik Hitchman, Assistant General Manager/Chief Engineer
Brian Teuber, Director of Finance
Donna DiLaura, Executive Secretary
Jim Ciampa, Legal Counsel

DIRECTORS ABSENT:

Allen Wu

The meeting was called to order at 5:00 p.m. with First Vice President Edwin Hilden presiding.

Guests and others in attendance: Three Valleys Municipal Water District (TVMWD) Director Joe Ruzicka, TVMWD Chief Financial Officer Mr. James Linthicum, and Willdan Financial Services representatives Ms. Maureen Coleman and Ms. Angie Fernandez.

Item 3: Public Comment

- ◆ No comments were offered. (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 Recognition

- ◆ Mr. Holmes introduced Mr. Christian Patton, Utility Service Worker I, on the occasion of his completing the probation period for A new employees. (Item 6)

Item 7: Public Hearing

- ◆ Vice President Hilden 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. Two representatives from Willdan Financial Services were present to answer questions; however, there were none. There were no requests to make public comment. Vice President Hilden 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 17, 2017 WVWD Board meeting. (Item 7-E)

Motion No. 17-06-1083: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Lee and unanimously carried (3-0), 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)*

First Vice President Hilden indicated Motion No. 17-06-1083 was approved by a (3-0) 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 22, 2017, the minutes of the special Board meeting held May 25, 2017, the check register, the Employee Expense Reimbursement Report, the Community Outreach Update, and ACWA's Call for Candidates Nominations for the 2018-19 Term. (Items 8-1, 2, 3, 4, 5 and 6)

Motion No. 17-06-1084: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Lee and unanimously carried (3-0), to approve the Consent Calendar, including the minutes of the regular Board meeting held May 22, 2017, the minutes of the special Board meeting held May 25, 2017, the check register, Employee Expense Reimbursement Report, Community Outreach Update, and ACWA's Call for Candidates Nominations for the 2018-19 Term. (Items 8-1, 2, 3, 4, 5 and 6)*

First Vice President Hilden indicated Motion No. 17-06-1084 was approved by a (3-0) 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 2017. (Item 9)

Motion No. 17-06-1085: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Lee and unanimously carried (3-0), 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 May 2017. (Item 9)*

First Vice President Hilden indicated Motion No. 17-06-1085 was approved by a (3-0) vote

Item 10: Treasurer's Report

- ◆ Mr. Teuber reviewed the District Statement of Revenues, Expenses, and Change in Net Assets as of May 31, 2017; the District's Statement of Net Assets as of May 31, 2017; and the Summary of Cash Investments as of May 31, 2017. (Items 10 A-C)

Motion No. 17-06-1086: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Lee and unanimously carried (3-0), to receive, approve, and file the District's Statement of Revenues, Expenses, and Change in Net Assets as of May 31, 2017, the District Statement of Net Assets as of May 31, 2017, and the Summary of Cash and Investments as of May 31, 2017. (Item 10 A-C)*

First Vice President Hilden indicated Motion No. 17-06-1086 was approved by a (3-0) vote

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

- ◆ The Board was asked to authorize the General Manager, subject to Legal Counsel's review and approval, to negotiate and execute an agreement with OPARC to provide fire hydrant painting services at an annual cost not to exceed \$115,000. Director Ebenkamp requested that staff conduct a performance review of the contractor in six months, and develop a bid path/procedure for awarding future contracts. He stated that his concern is that District's standard policy is to conduct an open bid process for such contracts. Mr. Ciampa noted that this action in effect waives the District's standard bid policy on open bidding strictly for the benefit of the District and its customers. (Item 11-A)

Motion No. 17-06-1087: *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Lee and unanimously carried (3-0), to authorize the General Manager, subject to Legal Counsel's review and approval, to negotiate and execute an agreement with OPARC to provide fire hydrant painting services at an annual cost not to exceed \$115,000, including a waiver of the District's procurement policy. Additionally, staff was directed to proceed with Director Ebenkamp's requests. (Item 11-A)*

First Vice President Hilden indicated Motion No. 17-06-1087 was approved by a (3-0) vote

- ◆ The Board was asked to authorize the General Manager to execute a contract for labor and materials to Advanced Industrial Services, Inc. for Reservoirs Painting and Recoating Program FY's 2015-16 and 2016-17 (P.N. 15-3408); to 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 \$152,000 from the Reserve for Replacement Fund (unused from FY 2015-16 Budget). (Item 11-B)

Motion No. 17-06-1088: *Upon consideration thereof, it was moved by Director Lee, seconded by Director Ebenkamp and unanimously carried (3-0), to authorize the General Manager to execute a contract for labor and materials to Advanced Industrial Services, Inc. for Reservoirs Painting and Recoating Program FY's 2015-16 and 2016-17 (P.N. 15-3408); to 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 \$152,000 from the Reserve for Replacement Fund. (Item 11-B)*

First Vice President Hilden indicated Motion No. 17-06-1088 was approved by a (3-0) vote

- ◆ The Board was asked to authorize the General Manager to execute the Memorandum of Understanding Regarding Public Water Agencies Group Emergency Preparedness Coordinator Position for an initial two (2) year term, at an estimated annual cost of \$23,129. (Item 11-C)

Motion No. 17-06-1089: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Lee and unanimously carried (3-0), to authorize the General Manager to execute the Memorandum of Understanding Regarding Public Water Agencies Group Emergency Preparedness Coordinator Position for an initial two (2) year term, at an estimated annual cost of \$23,129. (Item 11-C)*

First Vice President Hilden indicated Motion No. 17-06-1089 was approved by a (3-0) vote

- ◆ The Board was asked to authorize the General Manager to make a pledge not-to-exceed \$5,000 to join a coalition of local governments to respond to the proposed FCC Rulemaking regarding cell phone towers. (Item 11-D)

Motion No. 17-06-1090: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Lee and unanimously carried (3-0), to authorize the General Manager to make a pledge not-to-exceed \$5,000 to join a coalition of local governments to respond to the proposed FCC Rulemaking regarding cell phone towers. (Item 11-D)

First Vice President Hilden indicated Motion No. 17-06-1090 was approved by a (3-0) vote

Item 12: Personnel Committee – Director Hilden

- ◆ The Board was asked to consider approval of the San Gabriel Valley Employment Relations Consortium Agreement with Liebert Cassidy Whitmore (LCW), special labor counsel, for the fiscal year ending June 30, 2018, in the amount of \$2,900. The staff report included a review of the services provided by LCW, and noted that the fee for the consortium agreement reflects an increase over last year's fee of \$2,790. (Item 12-A)

Motion No. 17-06-1091: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Lee and unanimously carried (3-0), to approve renewal of the Employment Relations Consortium Agreement with Liebert Cassidy Whitmore, special labor counsel, for the fiscal year ending June 30, 2018. (Item 12-A)

First Vice President Hilden indicated Motion No. 17-06-1091 was approved by a (3-0) vote

- ◆ The Board was asked to consider approval of the proposed policy and procedure implementing the California Public Records Act, including: revisions to the District's Tablet Loan Agreement, and proposed revisions to the District's Computer Use Policy. Staff indicated that training would be provided at a future workshop. (Item 12-B)

Motion No. 17-06-1092: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Ebenkamp and unanimously carried (3-0), to approve the proposed policy and procedure implementing the California Public Records Act, including: revisions to the District's Tablet Loan Agreement, and proposed revisions to the District's Computer Use Policy. (Item 12-B)

First Vice President Hilden indicated Motion No. 17-06-1092 was approved by a (3-0) vote

Item 13: Finance Committee – President Wu

- ◆ The Board was asked to consider extending the District's banking services contract with East West Bank for an additional three years, effective July 1, 2018, and authorize the General Manager to execute all necessary documents on behalf of the District. (Item 13-A)

Director Kwong arrived at 5:56 p.m.

Motion No. 17-06-1093: Upon consideration thereof, it was moved by Director Lee, seconded by Director Ebenkamp and unanimously carried (4-0), to extend the District's banking services contract with East West Bank for an additional three years, effective July 1, 2018, and authorized the General Manager to execute all necessary documents on behalf of the District. (Item 13-A)

First Vice President Hilden indicated Motion No. 17-06-1093 was approved by a (4-0) vote

- ◆ The Board was asked to receive, approve, and file the May 2017 Consolidated Investments Transaction Report included in the Board packet. (Item 13-B)

Motion No. 17-06-1094: Upon consideration thereof, it was moved by Director Lee, seconded by Director Ebenkamp and unanimously carried (4-0), to receive, approve, and file the District's Consolidated Investment Transactions Report for the period of May 1, 2017, through May 31, 2017. (Item 13-B)

First Vice President Hilden indicated Motion No. 17-06-1094 was approved by a (4-0) vote

- ◆ Mr. Teuber reviewed the Revenue Bond Funds Held in Trust and detailed disbursement of bond proceeds reported through May 31, 2017. As this was an informational item, Board action was not needed. (Item 13-C)

Item 14: Public Information/Community Relations/Legislative Action Committee

The Board received an update on state legislative matters. As this was an informational item only, Board action was not needed. (Item 14)

Other Items

Item 15: TVMWD/MWD – Director Hilden

- ◆ The Board received the Three Valleys Municipal Water District (TVMWD) ‘Action Line’ report for the Board meeting held on June 7, 2017. (Item 15)

Item 16: 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 16)

Item 17: Puente Basin Water Agency – Director Ebenkamp

- ◆ The Board received a verbal report on the June 1, 2017 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 July, August, and September 2017. (Item 18-B)
- ◆ The General Manager reminded the Board that there would not be any committee meetings in July. Additionally, he asked that the Directors contact staff directly should they have any workshop topic suggestions. (18-C)

Item 19: Water Supply

- ◆ The Board received an update on State Legislation relating to long-term conservation and Urban Water Management Planning. (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 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 May 2017 was 16.04% lower than usage in May 2013 (the state’s “benchmark” year for current conservation analysis), and was 14.63% higher than in May 2016. (Item 19-C)
- ◆ The Board viewed reports on California’s water supply and reservoir conditions as of June 11, 2017. (Item 19-D)

Item 20: 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 20)

- ◆ Director Kwong stated that she attended the regular Board meeting.
- ◆ In addition to District committee and Board meetings previously reported, Director Hilden noted his attendance at the Diamond Bar City Council Meeting, two TVMWD Board Meetings, the District Poster/Essay Awards Ceremony, the District Water Awareness BBQ, and the Diamond Bar Community Foundation/Rotary Golf Tournament.
- ◆ President Wu’s report included in the Board packet noted that, in addition to the District committee and Board meetings previously reported, he participated in the District Poster/Essay Awards Ceremony, the District Water Awareness BBQ, attended to President’s duty, and attended the Annual MWD Solar Cup Event.
- ◆ In addition to District committee and Board meetings previously reported, Director Ebenkamp stated that he also attended the Puente Basin Water Agency Commission (PBWA) Strategic Planning Meeting, two TVMWD Board Meetings, the District Poster/Essay Awards Ceremony, the District Water Awareness BBQ, a Regional Chamber’s New Faces Luncheon, and the SCWUA Luncheon.
- ◆ In addition to the District committee and Board meetings previously reported, Director Lee noted that she attended a PBWA Strategic Planning Meeting, a Diamond Bar City Council Meeting, the District Poster/Essay Awards Ceremony, the District Water Awareness BBQ, the Heart of Hope hand bell concert, ACWA/JPIA Spring Conference, and the United Abacus Arithmetic Association Assessment Award Ceremony.

Item 21: Legal Reports

- ◆ No report. (Item 21)

Item 22: Items for Future Discussion

- ◆ Director Kwong requested that staff work on upgrading the District’s website to be more compatible with today’s mobile technologies, and to provide an update at the next Board meeting. (Item 22)

Item 23: Board of Directors Business

- ◆ The Board was asked to consider adoption of Resolution No. 06-17-642 Implementing a 401-A Plan and the Corresponding Government Money Purchase Plan and Trust Adoption Agreement. (Item 23-A)

Motion No: 17-06-1095 Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Lee and unanimously carried (4-0) by the roll call vote noted below, to adopt Resolution No.

06-17-642, Implementing a 401-A Plan and the Corresponding Government Money Purchase Plan and Trust Adoption Agreement. (Item 23-A)

Aye: Ebenkamp, Hilden, Kwong, Lee
No: None
Absent: Wu

First Vice President Hilden indicated Motion No. 17-06-1095, approving Resolution No. 06-17-642, by a (4-0) roll call vote, with Director Wu absent

- ◆ The Board was asked to consider approval of the District's FY 2017-18 proposed Budget consisting of an estimated: \$37,506,126 in Revenues, \$33,943,502 in Expenses, \$3,667,024 in Reserve Funding, \$14,240,064 in the Capital Investment Program, the District Chart of Positions, District Organizational Chart, and Employee Salary Ranges. (Item 23-B)

Motion No. 17-06-1096: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Lee and unanimously carried (4-0) to approve the District's FY 2017-18 Budget, as presented, consisting of \$37,506,126 in Revenues, \$33,943,502 in Expenses, \$3,667,024 in Reserve Funding, \$14,240,064 in the Capital Investment Program, the District Chart of Positions, District Organizational Chart, and Employee Salary Ranges. (Item 23-B)

First Vice President Hilden indicated Motion No. 17-06-1096 was approved by a (4-0) vote

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 – 6:37 p.m.

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 26-A)
- B. The Board met in closed session in accordance with Government Code §54957 to discuss one issue concerning public employee discipline/dismissal/release. (Item 26-B)

Item 27: Reconvene in Open Session/Report of Action Taken in Closed Session – 7:17 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)
- B. The Board met in closed session in accordance with Government Code §54957 to discuss to discuss one issue concerning public employee discipline/dismissal/release. The Board was briefed on the facts and circumstances of that particular issue and no reportable action under the Brown Act was taken. (Item 27-B)

Adjournment at 7:18 p.m.

Motion No: 17-06-1097: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Kwong and unanimously carried (4-0), to adjourn the meeting.

First Vice President Hilden indicated Motion No. 17-06-1097 was approved by a (4-0) vote