

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

**March 17, 2014
At the Offices of the District**

DIRECTORS PRESENT:

Barbara A. Carrera, President
Theodore L. Ebenkamp
Scarlett P. Kwong
Allen L. Wu
Edwin Hilden

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, Executive Secretary
Carmen Fleming, Executive Assistant
Jim Ciampa, Legal Counsel

DIRECTORS ABSENT:

None

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

Guests and others in attendance: Director David De Jesus, Director Joe Ruzicka, and James Linthicum of TVMWD; Mr. Jayson Schmitt of Chandler Asset Management.

Item 3: Public Comment –President Carrera

- ◆ There were no requests.

Item 4: Additions to the Agenda –President Carrera

- ◆ There were no requests.

Item 5: Reorder of Agenda –President Carrera

- ◆ There were no requests.

Item 6: Consent Calendar

- ◆ The Board was asked to approve the Consent Calendar, including the minutes of the Regular Board meeting held February 18, 2014; minutes of the Special Board meeting held February 20, 2014; the Check Register; and the Operations Report.

Motion No. 14-03-604: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and unanimously carried (5-0), to receive, approve, and file the Consent Calendar, including minutes of the Regular Board meeting held February 18, 2014, minutes of Special Board meeting held February 20, 2014, the Check Register, and the Operations Report. (Items 6-A -1, 2, 3, 4)*

President Carrera indicated Motion No. 14-03-604 was approved by a 5-0 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.

Motion No. 14-03-605: *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 during the month of February 2014. (Item 7)*

President Carrera indicated Motion No. 14-03-605 was approved by a 5-0 vote

Item 8: Treasurer's Report

- ◆ Mr. Teuber reviewed the District Statement of Revenues, Expenses, and Change in Net Assets as of February 28, 2014; the Statement of Net Assets as of February 28, 2014; and the Summary of Cash and Investments as of February 28, 2014. (Items 8-1, 2, 3)

Motion No. 14-03-606: *Upon consideration thereof, it was moved by Director Wu, seconded by Director Ebenkamp and unanimously carried (5-0), to receive and file the District Statement of Revenues, Expenses, and Change in Net Assets as of February 28, 2014; the Statement of Net Assets as of February 28, 2014; and the Summary of Cash and Investments as of February 28, 2014. (Items 8-1, 2, 3)*

President Carrera indicated Motion No. 14-03-606 was approved by a 5-0 vote

Committee Chair Reports

Item 9: Engineering & Special Projects Committee – Director Kwong

- ◆ There were no Engineering Committee matters to come before the Board. (Item 9-A)

Item 10: Personnel Committee – Director Ebenkamp

- ◆ The Board was asked to approve the destruction of obsolete District records, which were reviewed by the Personnel Committee and Legal Counsel, in accordance with the District’s Records Retention Policy. (Item 10-A)

Motion No. 14-03-607: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Kwong, and unanimously carried (5-0), to approve destruction of obsolete District records in accordance with the District’s Retention Policy. (Item 10-A)*

President Carrera indicated Motion No. 14-03-607 was approved by a 5-0 vote

Item 11: Finance Committee

- ◆ Mr. Jayson Schmitt of Chandler Asset Management reviewed the current economic climate and provided an update on the firm’s investment activities on behalf of the District. (Item 11-A)

Motion No. 14-03-608: *Upon consideration thereof, it was moved by Director Wu, seconded by Director Ebenkamp and unanimously carried (5-0), to receive, accept, and file the District’s Investment Activities Report as of February 28, 2014. (Item 11-A)*

President Carrera indicated Motion No. 14-03-608 was approved by a 5-0 vote

- ◆ Mr. Teuber then reviewed the District’s Investment Transactions Report for February 2014, following which the Board was asked to receive, accept, and file the report.

Motion No. 14-03-609: *Upon consideration thereof, it was moved by Director Wu, seconded by Director Ebenkamp and unanimously carried (5-0), to receive, accept, and file the District’s Investment Transactions Report as of February 28, 2014. (Item 11-B)*

President Carrera indicated Motion No. 14-03-609 was approved by a 5-0 vote

- ◆ Mr. Teuber reviewed the Revenue Bond Funds Held in Trust and detailed disbursement of bond proceeds monthly report. As this was an informational item only, no action was taken. (Item 11-C)
- ◆ The Board was asked to consider approval of WVWD Resolution No. 03-14-605, amending Resolution No. 09-03-452, “Establishing Charges for the Reproduction of District Public Records,” to reflect the costs incurred in responding to such requests. Upon reviewing the proposed changes, Mr. Teuber noted an error in Sections 3(a) and 3(b) of the draft resolution and indicated that the reproduction of a document consisting of one or more pages may be reproduced on paper no larger than 11” x 17”, and not 8 ½” x 17” as incorrectly stated on the resolution. (Item 11-D)

Motion No. 14-03-6010: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu, and unanimously carried (5-0), to approve WVWD Resolution No. 03-14-605, amending WVWD Resolution No. 09-03-452, Establishing Charges for Reproduction of District Public Records, as corrected. (Item 11-D)*

President Carrera indicated Motion No. 14-03-610 was approved by a 5-0 vote

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

- ◆ As a matter of information, the Board received an update on current District community outreach activities. (Item 12-A)
- ◆ Mr. Ciampa provided highlights on the March 6, 2014 Los Angeles Regional Water Quality Control Board meeting activities and its decision to move forward on the proposed Los Angeles County Municipal Separate Storm Sewer System Permit as it applies to discharges made by Public Water Systems (PWSs). (Item 12-B)
- ◆ The Board received an update on the Water Resources Development Act. (Item 12-C)
- ◆ The Board was asked to consider expressing opposition to AB 1671 (Frazier), *An Act to Add Section 11291 to the Water Code, Relating to Water*, and to join in a coalition letter with Metropolitan Water District and other water leaders to express opposition to the bill. (Item 12-D)

Motion No. 14-03-611: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Kwong, and unanimously carried (5-0), to approve sending a letter expressing the District’s opposition to AB 1671 (Frazier), *An Act to Amend Section 11291 of the Water Code, Relating to Water, and to join in a coalition letter noting opposition to the bill. (Item 12-D)**

President Carrera indicated Motion No. 14-03-611 was approved by a 5-0 vote

Other Items

Item 13: TVMWD/MWD – Director Hilden

- ◆ Director Hilden took a moment to review TVMWD February 2014 Board meeting activities.

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

- ◆ Director Kwong reported on the commission's February 20, 2014 meeting activities and then reviewed the February 2014 P-W-R Joint Water Line Commission water use report included in the Board packet.

Item 15: Puente Basin Water Agency –Director Carrera

- ◆ Director Carrera advised that the next PBWA Commission meeting is scheduled for April 10, 2014, at Rowland Water District.

Item 16: General Manager's Report

- ◆ The Board received a follow-up report on prior Board actions. (Item 16-A)
- ◆ The General Manager reviewed the District's activities calendars for March, April, and May 2014. (Item 16-B)
- ◆ The Board received updates on California's water supply and the District's response to the drought. (Item 16-C)
- ◆ Director David De Jesus took a moment to speak on Metropolitan Water District's proposed rate scenarios. After which, Mr. Teuber noted the District will monitor MWD's rates closely and report relevant news to the Board. (Item 16-D)

Item 17: 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.)

- ◆ In addition to District Board, committee, and P-W-R Joint Water Line Commission meetings previously reported, Director Kwong noted her attendance at the February 12 Walnut City Council meeting, a Three Valleys MWD Leadership Breakfast, and the WVWD Employee Recognition event. She further advised of her participation in the February 14, 2014 'ACWA 2014 Drought Impacts and Actions: What You Need to Know' webcast.
- ◆ In addition to the District Board, committee, and the PBWA meetings previously reported, Director Ebenkamp noted his attendance at Three Valleys MWD Board meetings and Leadership Breakfast, a Southern California Water Utilities Associations lunch meeting, and the WVWD's Employee Recognition event.
- ◆ In addition to the District Board and committee meetings previously reported, Director Wu advised of his attendance at the Diamond Bar Chinese American Association New Year celebration, a Water Law Symposium, the February 12, 2014 Walnut City Council meeting, and the WVWD Employee Recognition event. He also reported on his participation in the 'ACWA 2014 Drought Impact and Actions: What You Need to Know' webcast.
- ◆ In addition to the District's Engineering Committee meeting previously reported, Director Hilden reported on his attendance at the Diamond Bar Chinese American Association New Year Celebration, the SGV Regional Chamber's Heroes Breakfast, and on his participation in the February 14 ACWA webcast previously reported. In addition, Director Hilden noted he attended a Three Valleys MWD Board meeting on March 5, 2014.
- ◆ In addition to District Board, committee, and the PBWA meetings previously reported, Director Carrera noted her attendance at the WVWD's Employee Recognition event.

Item 18: Legal Reports

- ◆ Mr. Ciampa reported on the outcome of the San Diego County Water Authority (SDCWA) v. MWD of Southern California litigation.
- ◆ Mr. Ciampa reported on the recent Court of Appeal decision in Morgan v. Imperial Irrigation District, concerning various Proposition 218 issues.
- ◆ Mr. Ciampa then noted there would be a brief closed session following the regular business meeting.

Item 19: Items for Future Discussion

- ◆ Director request was made to review the banking fee and internal costs involved per transaction for processing online customer payments.

Item 20: Board of Directors Business

- ◆ The Board was asked to consider the adoption of a Water Awareness Month Proclamation. (Item 20-A)

Motion No. 14-03-612: Upon consideration thereof, it was moved by Director Wu, Seconded by Director Ebenkamp and unanimously carried (5-0), to adopt the proclamation declaring May as "Water Awareness" Month. (Item 20-A)

President Carrera indicated Motion No. 14-03-612 was approved by a 5-0 vote

- ◆ The Board conducted an annual review of the Puente Basin Watermaster's Tentative 2014-15 Operating Budget and noted the \$6,822.21 proposed allocation to the District as its share of the funding for the 2014-15 Watermaster budget. (Item 20-B)

Item 21: Public Comment on Closed Session

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

Item 22: Adjourn to Closed Session – 6:25p.m.**Item 23: Closed Session – 6:44 p.m.**

- A. The Board met in closed session in accordance with Government Code [§54956.8] to discuss real property negotiation matters pertaining to the acquisition and/or lease of water resources. The negotiating parties are Michael Holmes and Erik Hitchman, and
- B. The Board also met in closed session in accordance with Government Code [§54956.9(b)(1)] to discuss one pending litigation matter concerning Matthew Rzonca v. Walnut Valley Water District; Los Angeles Superior Court Case No. 13G07664, and
- C. The Board also met in closed session in accordance with Government Code [§54956.9 (d)(1)] to discuss a pending litigation matter with Legal Counsel concerning Successor Agency to the Former West Covina Community Redevelopment Commission, et al. v. Matosantos, et al.; Sacramento Superior Court Case No. 34-2013-80001479, and
- D. The Board also met in closed session in accordance with Government Code [§54956.9(d)(2)] to discuss two potential litigation matters, and
- E. The Board also met in closed session in accordance with Government Code (§54956) to discuss public employee discipline/dismissal/release with Legal Counsel.

Item 24: Reconvene in Open Session/Report of Action Taken in Closed Session – 7:27 p.m.

- A. The Board met in closed session in accordance with Government Code [§54956.8] to discuss real property negotiation matters pertaining to the acquisition and/or lease of water resources. The negotiating parties are Michael Holmes and Erik Hitchman. No reportable action under the Brown Act was taken on this item.
- B. The Board also met in closed session in accordance with Government Code [§54956.9 (d)(1)] to discuss a pending litigation matter with Legal Counsel concerning Matthew Rzonca v. Walnut Valley Water District; Los Angeles Superior Court Case No. 13G07664. The Board unanimously approved a settlement in the amount of \$3,500.
- C. The Board also met in closed session in accordance with Government Code [§54956.9 (d)(1)] to discuss a pending litigation matter with Legal Counsel concerning Successor Agency to the Former West Covina Community Redevelopment Commission, et al. v. Matosantos, et al.; Sacramento Superior Court Case No. 34-2013-80001479. No reportable action under the Brown Act was taken on this item.
- D. The Board also met in closed session in accordance with Government Code [§54956.9(d)(2)] to discuss two potential litigation matters. No reportable action under the Brown Act was taken on this item.
- E. The Board also met in closed session in accordance with Government Code (§54956) to discuss public employee discipline/dismissal/release with Legal Counsel. No reportable action under the Brown Act was taken.

Adjournment at 7:28 p.m.

Motion No. 14-03-614: *Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried (5-0), to adjourn the meeting.*

President Carrera indicated Motion No. 14-03-614 was approved by a 5-0 vote