

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

**March 19, 2018
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
Joshua Byerrum, Accounting Manager
Sherry Shaw, Engineering Manager and Production Superintendent
Donna DiLaura, Executive Secretary
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 Directors Joe Ruzicka and David DeJesus.

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: Special Presentation of Plaque of Occasion of Mr. Michael Holmes' retirement from the District

- ◆ The Board presented a plaque to Mr. Holmes on the occasion of his upcoming retirement, and thanked him for his many years of service to the District. (Item 6-A)

Item 7: Consider Approval of Consent Calendar

- ◆ The Board was asked to approve the Consent Calendar, including: the minutes of the special Board meeting held February 8, 2018, the minutes of the regular Board meeting held February 20, 2018, and the minutes of the special Board meeting held February 22, 2018, the check register, the WVWD Employee Expense Reimbursement Report, and the Community Outreach Update. (Items 7-1, 2, 3, 4, 5 and 6)

Motion No. 18-03-1204: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu and unanimously carried (4-0), to approve the Consent Calendar, including the minutes of the special Board meeting held February 8, 2018, the regular Board meeting held February 20, 2018, and special Board meeting held February 22, 2018, the check register, the WVWD Employee Expense Reimbursement Report, and the Community Outreach Update. (Items 7-1, 2, 3, 4, 5 and 6)

President Ebenkamp indicated Motion No. 18-03-1204 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 February 2018. (Item 8)

Motion No. 18-03-1205: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu 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 February 2018. (Item 8)

President Ebenkamp indicated Motion No. 18-03-1205 was approved by a (4-0) vote

Item 9: Treasurer's Report

- ◆ Mr. Teuber then presented the District's Statement of Revenues, Expenses, and Changes in Net Assets as of February 28, 2018; the District's Statement of Net Assets as of February 28, 2018; and the Summary of Cash Investments as of February 28, 2018. (Items 9 A-C)

Motion No. 18-03-1206: *Upon consideration thereof, it was moved by Director Wu, 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 February 28, 2018, the District's Statement of Net Assets as of February 28, 2018, and the Summary of Cash and Investments as of February 28, 2018. (Item 9)*

President Ebenkamp indicated Motion No. 18-03-1206 was approved by a (4-0) vote

Committee Chair Reports

Item 10: Engineering Committee – Director Lee

- ◆ The Board was asked to authorize the General Manager to execute a contract for labor and materials to Fleming Environmental Inc. in the amount of \$717,812.00, for the installation of the Industry Business Center (IBC) – Recycled Water Booster Pump Station Project (P.N. 14-3373), to find the project is exempt pursuant to CEQA Guidelines Categorical Exemption Section 15301; and 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. (Item 10-A)

Motion No. 18-03-1207: *Upon consideration thereof, it was moved by Director Lee, seconded by Director Hilden and unanimously carried (4-0), to authorize the General Manager to execute a contract for labor and materials to Fleming Environmental Inc. in the amount of \$717,812.00, for the installation of the Industry Business Center (IBC) – Recycled Water Booster Pump Station Project (P.N. 14-3373), to find the project is exempt pursuant to CEQA Guidelines Categorical Exemption Section 15301; and 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.. (Item 11-A)*

President Ebenkamp indicated Motion No. 18-03-1207 was approved by a (4-0) vote

- ◆ The Board was asked to authorize the General Manager to execute Change Order No. 6, for a deletion of \$131,943.00; accept the work as installed, and authorize the filing of a Notice of Completion for the ACE Fairway Grade Separation (P.N. 12-3262). (Item 10-B)

Motion No. 18-03-1208: *Upon consideration thereof, it was moved by Director Lee, seconded by Director Wu and unanimously carried (4-0), to authorize the General Manager to execute Change Order No. 6 for a deletion of \$131,943.00 from the ACE Fairway Grade Separation Project (P.N. 12-3262); accept the work as installed, and authorize the filing of a Notice of Completion for the subject project. (Item 10-B)*

President Ebenkamp indicated Motion No. 18-03-1208 was approved by a (4-0) vote

Item 11: Personnel Committee – Director Hilden

- ◆ Director Hilden reported that the Personnel Committee did not meet in March; therefore, there are no items to come before the Board at this time. (Item 11)

Item 12: Finance Committee – Director Wu

- ◆ The Board was asked to consider approval to engage Davis Farr LLP for auditing services for an additional two-year term commencing with fiscal year 2018. (Item 12-A)

Motion No. 18-03-1209: *Upon consideration thereof, it was moved by Director Lee, seconded by Director Wu, and carried (3-1), with President Ebenkamp opposed, to authorize the Director of Finance to propose to Davis Farr LLP an agreement for two years, at a cost of \$18,390 for both 2018 and 2019, reflecting no further increase in 2019. (Item 12-A)*

President Ebenkamp indicated Motion No. 18-03-1209 was approved by a (3-1) vote, with President Ebenkamp opposed.

- ◆ The Board was asked to receive, approve, and file the February 2018 Consolidated Investments Transaction Report included in the Board packet. (Item 12-B)

Motion No. 18-03-1210: *Upon consideration thereof, it was moved by Director Wu, seconded by Director Lee and unanimously carried (4-0), to receive, approve, and file the District's Consolidated Investment Transactions Report for the period of February 1, 2018 through February 28, 2018. (Item 12-B)*

President Ebenkamp indicated Motion No. 18-03-1210 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 February 28, 2018. As this was an informational item only, Board action was not needed. (Item 12-C)

Item 13: Public Information/Community Relations/Legislative Action Committee – Director Wu

- ◆ The Board received an update on California Long-term Water Conservation legislation, including State Water Resources Control Board proposed rulemaking and AB 1668 (Friedman) and SB 606 (Skinner/Hertzberg). As this was an informational item only, Board action was not needed. (Item 13-A)
- ◆ The Board received an update on SB 998 (Dodd): Water Shutoffs Urban and Community Water Systems. As this was an informational item only, Board action was not needed. (Item 13-B)

Other Items**Item 14: TVMWD/MWD – Director Hilden**

- ◆ The Board received the TVMWD ‘Action Line’ report for the Board meeting held on February 21, 2018. (Item 14-A)
- ◆ The Board received an update on the California WaterFix. (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 for the month of February included in the Board packet. (Item 15)

Item 16: Puente Basin Water Agency – Director Lee

- ◆ Director Lee reported that the PBWA did not meet in February; therefore, there is nothing new to report. (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 April, May and June 2018. (Item 17-B)
- ◆ Mr. Holmes reported that the District received correspondence from the Department of Water Resources confirming that our Urban Water Management Plan meets the requirements of the California Water Code. (Item 17-C)

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 2017-18 purchase water projections, conservation goal summary, 2017-18 climate summary, and 2018 monthly water consumption versus the 2013 baseline year. Staff made note that the District’s water usage for February 2018 was 10.37% higher than usage in February 2013. (Item 18-B)
- ◆ The Board viewed reports on California’s water supply and reservoir conditions as of March 11, 2018. (Item 18-C)

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 the District committee and Board meetings, Director Wu reported that he had a meeting with the General Manager regarding a customer service issue, participated in a TV interview on Water Conservation, attended the SCCAEPA Annual Convention, and the Diamond Bar Chinese-American Association Lunar New Year event.
- ◆ Director Hilden stated that, in addition to District committee and Board meetings previously reported, he attended the Coffee Bean and Tea Leaf ribbon cutting, the SCCAEPA Annual Convention, the P-W-R Commission meeting, the Diamond Bar Chinese-American Association Lunar New Year event, the Walnut Chinese Lunar New Year celebration, a TVMWD Board meeting, and the Miss Diamond Bar Scholarship Pageant Fashion Show.
- ◆ In addition to attending District committee and Board meetings, Director Lee also attended the Future of the Ontario Airport Luncheon, the Rowland Heights Library Grand Re-opening, Puente Basin Water Agency (PBWA) Commission meeting, the SCCAEPA Annual Convention, Diamond Bar Chinese-American Association Lunar New Year event, and the Diamond Bar Evergreen Club Lunar New Year event.
- ◆ Director Ebenkamp stated that, in addition to attending District committee and Board meetings, he also attended the Future of the Ontario Airport Luncheon, the Rowland Heights Library Grand Re-opening, Puente Basin Water Agency (PBWA) Commission meeting, a Regional Chamber Government Affairs Committee meeting, the WVWD Employee of the Year luncheon, and the Diamond Bar Chinese-American Association Lunar New Year event
- ◆ As noted on her expense report, Director Kwong reported that she attended the District committee and Board meetings.

Item 20: Legal Reports

- ◆ Mr. Ciampa provided an update on Proposed FCC Rulemaking relative to wireless and broadband facility sites, including information on the newly established Broadband Development Advisory Committee. As this was an informational item only, Board action was not needed. (Item 20)

Item 21: Items for Future Discussion

- ◆ As a general request, President Ebenkamp would like the District to include a bill insert to advise customers if the Safe and Affordable Drinking Water Act is approved, which, as discussed later in the meeting, would impose a \$.95 per month tax on residential water connections.

Item 22: Board of Directors Business

- ◆ The Board was asked to adopt a proclamation declaring May “Water Awareness” Month.

Motion No. 18-03-1211: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden and unanimously carried (4-0), to adopt a proclamation declaring May “Water Awareness” Month. (Item 22-A)*

President Ebenkamp indicated Motion No. 18-03-1211 was approved by a (4-0) vote

- ◆ The Board received an update on a Budget Trailer Bill: Safe and Affordable Drinking Water Act (based on SB 623 – Monning – Public Goods Charge). As this was an informational item only, Board action was not needed. (Item 22-B1)
- ◆ The Board was asked to re-consider ACWA’s request to contribute \$10,000 to fund efforts to oppose a proposed tax on drinking water. (Item 22-B2)

Motion No. 18-03-1212: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Lee and unanimously carried (4-0), to approve a \$5,000 contribution to ACWA to fund efforts to oppose a proposed tax on drinking water and direct staff to follow-up with ACWA on its progress in June, upon which time the Board will consider making an additional \$5,000 contribution. (Item 22-B2)*

President Ebenkamp indicated Motion No. 18-03-1212 was approved by a (4-0) vote

- ◆ The Board was asked to review the General Manager’s Fiscal Year 2017-18 Work Plan quarterly update; make recommendations and/or revisions, and receive, accept, and file the report. (Item 22-C)

Motion No. 18-03-1213: *Upon consideration thereof, it was moved by Director Wu seconded by Director Lee and unanimously carried (4-0), to receive, approve, and file the General Manager’s Fiscal Year 2017-18 Work Plan quarterly update. (Item 22-D)*

President Ebenkamp indicated Motion No. 18-03-1213 was approved by a (4-0) vote

- ◆ The Board was asked to approve the General Manager’s Employment Contract as drafted by Legal Counsel. Ms. Olson noted that the proposed four-year contract, with a provision for a three-year extension, will become effective April 6, 2018. The contract is for an annual salary of \$225,660, and does not include an auto allowance. (Item 22-C)

Motion No. 18-03-1214: *Upon consideration thereof, it was moved by Director Ebenkamp seconded by Director Wu and unanimously carried (4-0), to approve the General Manager’s Employment Contract as presented. (Item 22-D)*

President Ebenkamp indicated Motion No. 18-03-1214 was approved by a (4-0) vote

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 – 7:10 p.m. (Item 24)**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 – 8:23 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 25-A)

Adjournment at 7:25 p.m.

Motion No. 18-03-1215 *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Lee and unanimously carried (4-0), to adjourn the meeting.*

President Ebenkamp indicated Motion No. 18-03-1215 was approved by a (4-0) vote

