

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

**May 21, 2018
At the Offices of the District**

DIRECTORS PRESENT:

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

DIRECTORS ABSENT:

None

STAFF PRESENT:

Erik Hitchman, General Manager/Chief Engineer
Brian Teuber, Assistant General Manager
Sandy Olson, Director of Administrative Services
Sherry Shaw, Director of Engineering
Dave Johnson, Director of Operations
Joshua Byerrum, Accounting Manager
Donna DiLaura, Executive Secretary
Melanie Trevino, Administrative Assistant
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 (TVMWD) Directors Joe Ruzicka and David DeJesus, TVMWD Assistant General Manager Matthew Litchfield, and Chief Financial Officer Mr. James Linthicum. Also present was Mr. Jayson Schmitt of Chandler Asset Management.

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 not requests. (Item 5)

Item 6: Consider Approval of Consent Calendar

- ◆ The Board was asked to approve the Consent Calendar, including: the minutes of the regular Board meeting held April 16, 2018, and the minutes of the special Board meeting held April 19, 2018, the check register, the WVWD Employee Expense Reimbursement Report, and the Community Outreach Update. (Items 6-1, 2, 3, 4, and 5)

Motion No. 18-05-1232: *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu and unanimously carried (5-0), to approve the Consent Calendar, including the minutes of the regular Board meeting held April 16, 2018, and special Board meeting held April 19, 2018, the check register, the WVWD Employee Expense Reimbursement Report, and the Community Outreach Update. (Items 6 -1, 2, 3, 4 and 5)*

President Ebenkamp indicated Motion No. 18-05-1232 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 for events occurring during April 2018. (Item 7)

Motion No. 18-05-1233: *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Lee and unanimously carried (5-0), 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 April 2018. (Item 7)*

President Ebenkamp indicated Motion No. 18-05-1233 was approved by a (5-0) vote

Item 8: Treasurer's Report

- ◆ Mr. Teuber then presented the District's Statement of Revenues, Expenses, and Change in Net Assets as of April 30, 2018; the District's Statement of Net Assets as of April 30, 2018; and the Summary of Cash and Investments as of April 30, 2018. (Items 8 A-C)

Motion No. 18-05-1234: *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Lee and unanimously carried (5-0), to receive, approve, and file the District's Statement of Revenues, Expenses, and Change in Net Assets as of April 30, 2018, the District's Statement of Net Assets as of April 30, 2018, and the Summary of Cash and Investments as of April 30, 2018. (Item 8 A-C)*

President Ebenkamp indicated Motion No. 18-05-1234 was approved by a (5-0) vote

Committee Chair Reports

Item 9: Engineering Committee – Director Lee

- ◆ The Board was asked to authorize the General Manager to execute a new service agreement with Azteca Landscape to provide landscaping services for a five-year term, from July 1, 2018 thru June 30, 2023, at a cost of \$13,000 per month. (Item 9)

Motion No. 18-05-1235: Upon consideration thereof, it was moved by Director Lee, seconded by Director Wu and unanimously carried (5-0), to authorize the General Manager to execute a new service agreement with Azteca Landscape to provide landscaping services for a five-year term, from July 1, 2018 thru June 30, 2023, at a cost of \$13,000 per month. (Item 9)

President Ebenkamp indicated Motion No. 18-05-1235 was approved by a (5-0) vote

Item 10: Personnel Committee – Director Hilden

- ◆ There are no Personnel Committee items to come before the Board at this time. (Item 10)

Item 11: Finance Committee – Director Wu deferred the report to Director Lee

- ◆ Mr. Jayson Schmitt of Chandler Asset Management reviewed current economic conditions and provided an update on the firm's investment activities on behalf of the District. The Board was asked to receive and file Mr. Schmitt's report. (Item 11-A)

Motion No. 18-05-1236: Upon consideration thereof, it was moved by Director Lee, seconded by Director Hilden and unanimously carried (5-0), to receive and file Mr. Schmitt's report. (Item 11-A)

President Ebenkamp indicated Motion No. 18-05-1236 was approved by a (5-0) vote

- ◆ The Board was asked to review, discuss, and reject a Claim for Damages submitted to the District by Mr. Frank D. Hayes, which seeks compensation for the expense to repair damage to his vehicle allegedly caused by a water valve cover located near the intersection of Amar and Lemon, in the City of Walnut. As a result of a District investigation in response to the claim, it was determined that the water valve cover was not District property; therefore, staff recommends that the Board reject the claim, and direct Legal Counsel to prepare and mail a formal rejection letter on behalf of the District. It was noted that, after completion of the District investigation, the claimant was verbally advised that the damage was not caused by District property. (Item 11-B)

Motion No. 18-05-1237: Upon consideration thereof, it was moved by Director Lee, seconded by Director Hilden and unanimously carried (5-0), to reject the Claim for Damages submitted by Mr. Frank D. Hayes, and to direct Legal Counsel to prepare and mail a rejection letter to the claimant. (Item 11-B)

President Ebenkamp indicated Motion No. 18-05-1237 was approved by a (5-0) vote

- ◆ The Board was asked to schedule a Public Hearing to be held during the June 18, 2018 Board meeting to receive comments regarding the District's Standby Charge Assessment (Item 11-C)

Motion No. 18-05-1238: Upon consideration thereof, it was moved by Director Wu, seconded by Director Lee and unanimously carried (5-0), to schedule a public hearing to be held during the June 18, 2018 Board meeting to receive and respond to comments regarding the District's Standby Charge Assessment. (Item 11-C)

President Ebenkamp indicated Motion No. 18-05-1238 was approved by a (5-0) vote

- ◆ Mr. Teuber referred to a staff report included in the Board packet and provided general information on the Local Agency Formation Commission (LAFCO) FY 2018-19 Budget and Allocation of Net Operating Costs. The General Manager noted that the District received notification that the LAFCO budget was adopted as presented. As this was an informational item only, Board action was not needed. (Item 11-D)
- ◆ The Board was asked to receive, approve, and file the April 2018 Consolidated Investment Transactions Report included in the Board packet. (Item 11-E)

Motion No. 18-05-1239: Upon consideration thereof, it was moved by Director Lee, 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 April 1, 2018 through April 30, 2018. (Item 11-E)

President Ebenkamp indicated Motion No. 18-05-1239 was approved by a (5-0) vote

- ◆ Mr. Teuber reviewed the Revenue Bond Funds Held in Trust and detailed disbursement of bond proceeds report through April 30, 2018. As this was an informational item only, Board action was not needed. (Item 11-F)

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

- ◆ The Board received an update on long-term water conservation bills Assembly Bill (AB) 1668 and Senate Bill (SB) 606. As this was an informational item only, Board action was not needed. (Item 12-A)
- ◆ The Board was asked to adopt Resolution No. 05-18-652 to Oppose Unless Amended SB 623 and corresponding budget trailer bill which, if passed into law, would impose a first-ever “Drinking Water Tax” in California, (Item 12-B)

Motion No. 18-05-1240: Upon consideration thereof, it was moved by Director Wu, seconded by Director Lee and unanimously carried (5-0) by the roll call noted below, to adopt Resolution No. 05-18-652 to Oppose Unless Amended SB 623 and corresponding budget trailer bill which, if passed into law, would impose a first-ever “Drinking Water Tax” in California. (Item 12-B)

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

President Ebenkamp indicated Motion No. 18-05-1240 approving Resolution No. 05-18-652 passed by a (5-0) roll call vote

- ◆ The Board was asked to review the draft letter and summary of concerns included in the Board packet prepared by the coalition of water agencies to the State Water Resources Control Board (Water Board), regarding concerns with the Water Board’s new 2017 electronic Annual Report (eAR) for the Drinking Water Program. The Board was also asked to authorize the General Manager to be included as a signatory to the letter. (Item 11-C)

Motion No. 18-05-1241: Upon consideration thereof, it was moved by Director Lee, seconded by Director Hilden and unanimously carried (5-0), to authorize the Board President to sign the coalition letter and for staff to prepare and send a separate letter, to also be signed by the Board President, to express the District’s specific concerns. (Item 11-C)

President Ebenkamp indicated Motion No. 18-05-1241 was approved by a (5-0) vote

Other Items**Item 13: TVMWD/MWD – Director Hilden**

- ◆ The Board received a brief update on recent TVMWD activities. TVMWD Director DeJesus introduced Mr. Matthew Litchfield as TVMWD’s new Assistant General Manager. (Item 13)

Item 14: 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 April included in the Board packet. (Item 14)

Item 15: Puente Basin Water Agency (PBWA) – Director Lee

- ◆ The Board received a brief update on recent PBWA related discussions and activities. (Item 15)

Item 16: General Manager’s Report

- ◆ The Board received a follow-up report on prior Board actions. (Item 16-A)
- ◆ The Board received the District’s activities calendars for June, July and August 2018. (Item 16-B)
- ◆ The Board received a copy of the Puente Basin Watermaster 2018-19 Final Operating Safe Yield. As this was an informational item only, Board action was not needed. (Item 16-C)
- ◆ The Board received a copy of the Puente Basin Watermaster 2018-19 Tentative Budget. As this was an informational item only, Board action was not needed. (Item 16-D)
- ◆ The General Manager welcomed Mr. Litchfield. (Item 16-E)
- ◆ The General Manager announced recent staff promotions. He noted that Mr. Teuber is now Assistant General Manager, Ms. Shaw is Director of Engineering, and Mr. Johnson is Director of Operations. (16-F)
- ◆ The General Manager also welcomed Ms. Melanie Trevino to her first Board meeting, and stated she is present as part of her training to better understand the Board meeting process. (16-G)

Item 17: Water Supply and Drought

- ◆ The Board received a report on the District’s drought and water conservation outreach efforts. (Item 17-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 April 2018 was 15.53% lower than usage in April 2013. (Item 17-B)
- ◆ The Board viewed reports on California’s water supply and reservoir conditions as of May 9, 2018. (Item 17-C)

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.) (Item 18)

- ◆ In addition to the District committee and Board meetings, Director Wu reported that he attended a meeting with the General Manager, the Diamond Bar Birthday Celebration, the Diamond Bar Earth Day and Arbor Day Celebration, the Diamond Bar Friends of the Library Wine Soiree, a Best Best & Krieger seminar titled "The Bill is Due: Now What?" and a Walnut City Council meeting to receive a Water Awareness Month proclamation on behalf of the District.
- ◆ Director Hilden stated that, in addition to District committee and Board meetings previously reported, he attended two TVMWD Board meetings, the Diamond Bar Birthday Celebration, the Southern California Water Coalition Luncheon, the Diamond Bar Friends of the Library Wine Soiree, a Walnut City Council meeting to receive a Water Awareness Month proclamation on behalf of the District, the Diamond Bar McDonalds Grand Re-Opening Ribbon Cutting, the Walnut Valley Educational Foundation Gala, and the Rotary Club's 25th Anniversary Celebration.
- ◆ In addition to District committee and Board meetings previously reported, Director Kwong reported that she attended the Diamond Bar Birthday Celebration, the Chinese-American Elected Officials Members Briefing, the Diamond Bar Friends of the Library Wine Soiree, and the Asian-Pacific American Gubernatorial Debate.
- ◆ In addition to attending District committee and Board meetings, Director Lee also attended the Diamond Bar Birthday Celebration, the Southlands Christian School's Fine Art Gala, the Diamond Bar Earth Day and Arbor Day Celebration, the Diamond Bar Friends of the Library Wine Soiree, a Walnut City Council meeting to receive a Water Awareness Month proclamation on behalf of the District, and a Legislative Breakfast featuring Ms. Megan Samaniego.
- ◆ Director Ebenkamp stated that, in addition to attending District committee and Board meetings, he also completed Water is Life Essay Contest judging, attended two TVMWD Board meetings, a PBWA meeting, a Regional Chamber of Commerce Government Affairs Committee meeting, and the Rotary Club's 25th Anniversary Celebration.

Item 19: Legal Reports

- ◆ No report. (Item 19)

Item 20: Items for Future Discussion

- ◆ There were no requests made for future items of discussion. (Item 20)

Item 21: Board of Directors Business

- ◆ There were no items to report. (Item 21)

Item 22: Public Comment on Closed Session

- ◆ There were no requests to comment on either open or closed session items. (Item 22)

Item 23: Adjourn to Closed Session – 6:28 p.m.

- ◆ President Ebenkamp noted that the Board of Directors adjourn to Closed Session in Memory of Dr. David K. Hall, Board Chair/President of the Regional Chamber of Commerce San Gabriel Valley, and member of the Mt. San Antonio College Board of Trustees, and Mr. Robert Sandwick, long-time water industry professional, and father of District employee Ms. Sherry Shaw. (Item 23)

Item 24: 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 24)

Item 25: Reconvene in Open Session/Report of Action Taken in Closed Session – 7:09 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)

Adjournment at 7:10 p.m.

Motion No: 18-05-1242: *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu and unanimously carried (5-0), to adjourn the meeting*

President Ebenkamp indicated Motion No. 18-05-1242 was approved by a (5-0) vote