

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

**September 15, 2014
At the Offices of the District**

DIRECTORS PRESENT:

Barbara A. Carrera, President (arrived at 5:16 p.m.)
Theodore L. Ebenkamp
Edwin Hilden
Allen Wu

DIRECTORS ABSENT:

Scarlett Kwong

STAFF PRESENT:

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

The meeting was called to order at 5:05 p.m. with Vice President Ebenkamp presiding.

Guests and others in attendance: Three Valleys Municipal Water District Directors Joe Ruzicka and David De Jesus; Ms. Cindy Houmes; and Mr. Nick Franceschine (who joined the meeting via teleconference at 5:43 p.m.).

Item 3: Public Comment –President Carrera

- ◆ There were no requests for public comment.

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 August 18, 2014, minutes of the Special Board meeting held August 21, 2014, the Check Register, and a WVWD Employee Expense Reimbursements Report indicating monthly WVWD employee expense reimbursements exceeding the amount of \$100.

Motion No. 14-09-664: *Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried (3-0), to receive, approve, and file the Consent Calendar, including minutes of the Regular Board meeting held August 18, 2014, the minutes of the Special Board meeting held August 21, 2014, the Check Register, and the WVWD Monthly Employee Expense Reimbursements Report. (Items 6-A -1, 2, 3, 4)*

Vice President Ebenkamp indicated Motion No. 14-09-664 was approved by a (3-0) 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. 14-09-665: *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu, and unanimously carried (3-0), to receive, approve, and file the Board member expense reports for meeting attendance during the month of August 2014. (Item 7)*

Vice President Ebenkamp indicated Motion No. 14-09-665 was approved by a (3-0) vote

Item 8: Treasurer's Report

- ◆ Mr. Teuber advised that due to the year-end audit, the District Statement of Revenues, Expenses, and Change in Net Assets and the District Statement of Net Assets will be presented at the November 2014 Board meeting.
- ◆ The Board was then asked to receive and file the District Summary of Cash and Investments as of August 31, 2014. (Item 8)

Motion No. 14-09-666: *Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden, and unanimously carried (3-0), to receive and file the District Summary of Cash and Investments as of August 31, 2014. (Item 7)*

Vice President Ebenkamp indicated Motion No. 14-09-666 was approved by a (3-0) vote

Committee Chair Reports

Item 9: Engineering & Special Projects Committee – Director Hilden

- ◆ The Board was asked to authorize the General Manager to execute a labor contract with Doty Bros. Equipment Company in the amount of \$106,497.59 for the Walnut Hill Estates Tract 52324 (P.N. 09-

3155), to find that the project is exempt pursuant to CEQA Guidelines Categorical Exemption Section 15282, and to authorize the filing of a Notice of Exemption for the subject project with the office of the Los Angeles County Registrar-Recorder/County Clerk. (Item 9-A)

Motion No. 14-09-667: *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu and unanimously carried (3-0), to authorize the General Manager to execute a contract for labor with Doty Bros. Equipment Company in the amount of \$106,497.59 for the Walnut Hill Estates Tract 52324 (P.N. 09-3155); to find that the project is exempt pursuant to CEQA Guidelines Categorical Exemption Section 15282; 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 9-A)*

Vice President Ebenkamp indicated Motion No. 14-09-667 was approved by a (3-0) vote

(President Carrera arrived at 5:16 p.m.)

- ◆ The Board was asked to authorize the appropriation of \$58,000 from the General Fund, to authorize the General Manager to execute a contract for labor with Doty Bros. Equipment Company in the amount of \$49,656 to provide labor for the Casing Extension Route 10 HOV Widening Project at Grand Avenue (P.N. 14-3335), to authorize the General Manager to execute the Utility Agreement with Caltrans, to find that the project is exempt pursuant to CEQA Guidelines Categorical Exemption Section 15301 and Statutory Exemption under CEQA Guidelines Section 15282, and to authorize the filing of a Notice of Exemption for the subject project with the Office of the Los Angeles County Registrar-Recorder/County Clerk. (Item 9-B)

Motion No. 14-09-668: *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Ebenkamp and unanimously carried (3-0), with Director Wu recusing himself from the approval due to his employment with Caltrans, to authorize the appropriation of \$58,000 from the General Fund, to authorize the General Manager to execute a contract for labor with Doty Bros. Equipment Company in the amount of \$49,656 to provide labor for the Casing Extension Route 10 HOV Widening Project at Grand Avenue (P.N. 14-3335), to authorize the General Manager to execute the Utility Agreement with Caltrans, to find that the project is exempt pursuant to CEQA Guidelines Categorical Exemption Section 15301 and Statutory Exemption under CEQA Guidelines Section 15282; 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 9-B)*

President Carrera indicated Motion No. 14-09-668 was approved by a (3-0) vote, with one abstention from Director Wu

- ◆ The Board was asked to authorize the award of contract to Lee & Ro, Inc. for the preparation of the preliminary design report and final design, and to provide construction oversight services for the Sylvan Glen Reservoir Seismic Retrofit and Site Improvements Project (P.N. 14-3363) at a cost of \$66,523. (Item 9-C)

Motion No. 14-09-669: *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Ebenkamp and unanimously carried (4-0), to authorize the award of contract to Lee & Ro, Inc. for the preparation of the preliminary design report and final design, and provide construction oversight services for the Sylvan Glen Reservoir Seismic Retrofit and Site Improvements Project (P.N. 14-3363) at a cost of \$66,523. (Item 9-C)*

President Carrera indicated Motion No. 14-09-669 was approved by a (4-0) vote

- ◆ The Board was asked to authorize the General Manager to execute the Quitclaim of Easement for an abandoned pipeline at 2215 Leron Avenue in Rowland Heights (Easement W0016A). (Item 9-D)

Motion No. 14-09-670: *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu and unanimously carried (4-0), to authorize the General Manager to execute the Quitclaim of Easement for an abandoned pipeline located at 2215 Leron Avenue, Rowland Heights CA (Easement W0016A). (Item 9-D)*

President Carrera indicated Motion No. 14-09-670 was approved by a (4-0) vote

Item 10: Personnel Committee – Director Ebenkamp

- ◆ As a matter of information, the Board was presented with ACWA/JPIA's medical, dental, vision insurance premium rates for calendar year 2015. Ms. Olson took a moment to explain the premium changes to all plans and provided a summary of benefit modifications to the medical plans. No Board action was required on the matter since the allocation providing funding for medical, dental and vision coverage employees was approved in the 2014-2017 Terms and Conditions of Employment and with funding approved in the FY 2014-2015 budget.

Item 11: Finance Committee – Director Wu

- ◆ The Board was asked to receive, approve, and file the District's Investment Transactions Report for August 2014 included in the Board packet. (Item 11-A)

Motion No. 14-09-671: *Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried (4-0) to receive, accept, and file the District's Investment Transactions Report for the month of August 2014. (Item 11-A)*

President Carrera indicated Motion No. 14-09-671 was approved by a (4-0) vote

- ◆ Mr. Teuber reviewed the Revenue Bond Funds Held in Trust and detailed disbursement of bond proceeds monthly report. After which, the Board was asked to receive and file that report. (Item 11-B)

Motion No. 14-09-672: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and unanimously carried (4-0), to receive and file the monthly Revenue Bonds Held in Trust report. (Item 11-B)*

President Carrera indicated Motion No. 14-09-672 was approved by a (4-0) vote

- ◆ Mr. Nick Franceschine, representative of North Bay Pensions, joined the meeting via teleconference and provided the Board with an overview of the GASB 45 Valuation Report as of July 1, 2013 prepared by North Bay Pensions. Following review of the report, the Board was asked to receive and file that report as presented. (Item 11-C)

Motion No. 14-09-673: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden and unanimously carried (4-0), to receive and file the Report of GASB 45 Valuation as of July 1, 2013. (Item 11-C)*

President Carrera indicated Motion No. 14-09-673 was approved by a (4-0) vote

- ◆ As a matter of information, Mr. Teuber advised the Board that during a recent review of some customer billing accounts, it was discovered that the pump zone designations for some residential accounts were inadvertently classified as Pump Zone "1," instead of Pump Zone "2." Customers have been notified of this matter. The District will not collect any past pump zone surcharges and will bill the correct surcharge for the pump zone designation starting in October 2014.

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

- ◆ The Board was asked to approve sending a letter to the District's congressional delegates requesting that they assist with expediting the Army Corps of Engineers' completion of Section 1014 guidelines related to the Water Resources Reform and Development Act. (Item 12-A)

Motion No. 14-09-674: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden and unanimously carried (4-0), to approve sending a letter to the District's congressional delegates requesting that they assist with expediting the Army Corps of Engineers' completion of the Section 1014 Guidelines related to Water Resources Reform and Development Act. (Item 12-A)*

President Carrera indicated Motion No. 14-09-674 was approved by a (4-0) vote

- ◆ The Board was asked to approve a District 'support' position for California Proposition 1, *Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Chapter 188, Statutes of 2014)* and to approve WWWD Resolution No. 09-14-611 declaring support for Proposition 1. (Item 12-B)

Motion No. 14-09-675: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden and unanimously carried (4-0) by roll call vote (as noted below), to approve a District 'support' position for California Proposition 1, Water Quality Supply, and Infrastructure Improvement Act of 2014 (Chapter 188, Statutes of 2014); and to adopt WWWD Resolution No. 09-14-611, Declaring Support of Proposition 1, The Water Quality, Supply, and Infrastructure Improvement Act of 2014.*

Aye: Carrera, Ebenkamp, Hilden, Wu

No: None

Absent: Kwong

Motion Passed (4-0)

President Carrera indicated Motion No. 14-09-675 was approved by a (4-0) roll call vote

Other Items

Item 13: TVMWD/MWD – Director Hilden

- ◆ It was noted that the next TVMWD Board meeting will be held on September 17, 2014. (Item 13)

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

- ◆ Mr. Hitchman reviewed the August 2014 P-W-R Joint Water Line Commission water use report included in the Board packet. (Item 14)

Item 15: Puente Basin Water Agency – Director Ebenkamp

- ◆ The Board received an update on matters discussed at the September 11, 2014 Commission meeting and on the PBWA Groundwater Resource Project Integrated Regional Water Management (IRWM) Grant. (Item 15)

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 September, October, and November 2014. (Item 16-B)
- ◆ The Board received an update on statewide and local water supply conditions
- ◆ The Board was informed of public outreach activities correlated with the District's recent declaration of a stage 1 water supply shortage.
- ◆ The General Manager noted that the City of Industry Planning Commission will consider approval of the District's proposed administrative building site plans at its October 9, 2014 meeting.

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 the District Board, PBWA, and TVMWD meetings previously reported, Director Ebenkamp noted he attended a SGV Regional Chamber Government Affairs Committee meeting and the San Bernardino County Water Conference.
- ◆ In addition to the District Board meetings previously reported, Director Wu noted his participation in a CSDA webinar and two AWWA webinars. In addition, he attended a Diamond Bar City Council meeting and the Urban Water Institute Conference held in San Diego.
- ◆ In addition to the District's Board and committee meetings previously reported, Director Hilden noted his attendance at an IMC Human Resources Luncheon and the San Bernardino Water Conference.
- ◆ Director Carrera noted her attendance at District Board and committee meetings, and the PBWA meeting previously reported. She also made note of her attendance at a Diamond Bar City Council Meeting.
- ◆ Although Director Kwong was not present to report on her meeting attendance for the month of August, her expense report noted her attendance at District committee and Board meetings and the Diamond Bar City Council meeting previously reported.

Item 18: Legal Reports

- ◆ Mr. Ciampa provided an update on the NPDES potable water system discharge permit. Following his report, Mr. Ciampa noted there would be a closed session following the regular business meeting.

Item 19: Items for Future Discussion

- ◆ Request was made for a report on ACWA/JPIA's legislative position on California's Proposition 45, Public Notice Required for Insurance Company Rates Initiative, and Proposition 46, Medical Malpractice Lawsuits Cap and Drug Test of Doctors.

Item 20: Board of Directors Business

- ◆ There were no Board of Directors Business to come before the Board at this time.

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 – 6:33 p.m.

Item 23: Closed Session – 6:52 p.m.

- 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.
- The Board met in closed session in accordance with Government Code [§54956.9(b)(2)] to discuss two potential litigation items with Legal Counsel.

Item 24: Reconvene in Open Session/Report of Action Taken in Closed Session – 6:56 p.m.

- It was reported that 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 took place on this item.
- It was also reported that the Board met in closed session in accordance with Government Code [§54956.9(b)(2)] to discuss two potential litigation items with Legal Counsel. The Board was apprised on the current status of one claim. With respect to the other claim, a settlement was reached with Philadelphia Insurance Company regarding a property damage claim. A settlement in the amount of \$186,275.69 has been paid to Philadelphia Insurance Company by the District's insurer and a full release has been received from Philadelphia Insurance Company, therefore the matter is concluded. No further reportable action under the Brown Act was taken on those items.

Adjournment at 6:57 p.m.

Motion No. 14-09-676: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and unanimously carried (4-0), to adjourn the meeting.*

President Carrera indicated Motion No. 14-09-676 was approved by a (4-0) vote