

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

**September 18, 2017
At the Offices of the District**

DIRECTORS PRESENT:

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

STAFF PRESENT:

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

DIRECTORS ABSENT:

None

The meeting was called to order at 5:00 p.m. with President Allen Wu presiding.

Guests and others in attendance: Three Valleys Municipal Water District (TVMWD) Directors David DeJesus and Joe Ruzicka, PARS-Highmark representatives Ms. Jennifer Meza, and Messrs. Mitch Barber, Keith Stribling and Nik Weigand.

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

- ◆ In the interest of time, and by consensus, the Board moved Item 21-B to discussion prior to Item 6. (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 August 21, 2017, the special Board meeting held August 24, 2017, the check register, the Employee Expense Reimbursement Report, and the Community Outreach Update. (Items 6-1, 2, 3, 4 and 5)

Motion No. 17-09-1121: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Kwong and unanimously carried (5-0), to approve the Consent Calendar, including: the minutes of the regular Board meeting held August 21, 2017, the special Board meeting held August 24, 2017, the check register, Employee Expense Reimbursement Report, and the Community Outreach Update. (Items 6-1, 2, 3, 4 and 5)

President Wu indicated Motion No. 17-09-1121 was approved by a (5-0) vote

Item 7: Consider Approval of 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 August 2017. (Item 7)

Motion No. 17-09-1122: 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 and additional expenses incurred by the District on behalf of each Director for events occurring during the month of August 2017. (Item 7)

President Wu indicated Motion No. 17-09-1122 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 June 30, 2017; the District's Statement of Net Assets as of June 30, 2017; and the Summary of Cash Investments as of June 30, 2017. (Items 8 A-C)
- ◆ Mr. Teuber reviewed the District Statement of Revenues, Expenses, and Change in Net Assets as of August 31, 2017; the District's Statement of Net Assets as of August 31, 2017; and the Summary of Cash Investments as of August 31, 2017. (Items 8 D-F)

Motion No. 17-09-1123: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden and unanimously carried (5-0), to receive, approve, and file the District's Statement of Revenues, Expenses, and Change in Net Assets as of June 30, 2017 and August 31, 2017, the District Statement of Net Assets as of June 30, 2017 and August 31, 2017, and the Summary of Cash and Investments as of June 30, 2017 and August 31, 2017. (Item 8 A-F)

President Wu indicated Motion No. 17-09-1123 was approved by a (5-0) vote

Committee Chair Reports

Item 9: Engineering & Special Projects Committee – Director Ebenkamp

- ◆ The Board was asked to authorize the General Manager to appropriate \$85,000 from the Reserve for Replacement Fund for the repair and replacement of the large Hydroelectric Generator Unit at Terminal Storage. (Item 9-A)

Motion No. 17-09-1124: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden and unanimously carried (5-0), to authorize the General Manager to appropriate \$85,000 from the Reserve for Replacement Fund for the repair and replacement of the large Hydroelectric Generator Unit at Terminal Storage. (Item 9-A)

President Wu indicated Motion No. 17-09-1124 was approved by a (5-0) vote

Item 10: Personnel Committee – Director Hilden

- ◆ Ms. Olson provided an update on the ACWA/JPIA medical, dental, and vision insurance premium rates for calendar year 2018 (effective January 1, 2018). She noted that, because of the District's continued compliance with all of the JPIA plan requirements, the District continues to be eligible for the "incentive" premium pricing for the Anthem plans - which is 4% less than the "standard" pricing. Ms. Olson provided a brief review of the financial impact to the District, and noted that the projected increase is below the amount presented and approved in the fiscal year 2017-18 budget. (Item 10-A)
- ◆ Ms. Olson provided a review of the 2018 Employee Assistance Program (EAP) Renewal. She reviewed the benefits provided to both employees and staff, and reported that the EAP will be renewed with no changes in rates for 2018. Ms. Olson noted that the cost to the District is actually less than in 2003, when the District first began participating in the program, and the service is better. As this was an informational item only, Board action was not needed. (Item 10-B)
- ◆ The Board received an update on the ACWA/JPIA Professional Development Program Update. As this was an informational item only, Board action was not needed. (Item 10-C)

Item 11: Finance Committee – President Wu

- ◆ The Board was asked to receive staff's update to the Identity Theft Prevention "Red Flag" Program and approve the proposed revisions. (Item 11-A)

Motion No. 17-09-1125: Upon consideration thereof, it was moved by Director Wu, seconded by Director Lee and unanimously carried (5-0), to receive staff's update to the Identity Theft Prevention "Red Flag" Program and approve the proposed revisions. (Item 11-A)

President Wu indicated Motion No. 17-09-1125 was approved by a (5-0) vote

- ◆ The Board was asked to declare the fully depreciated vehicles and miscellaneous equipment as surplus property, and to authorize disposal of such surplus property in accordance with District policy. (Item 11-B)

Motion No. 16-09-1126: Upon consideration thereof, it was moved by Director Lee, seconded by Director Kwong, and unanimously carried (5-0), to declare the fully depreciated vehicles and miscellaneous equipment as surplus property and to authorize disposal of such surplus property in accordance with District policy. (Item 11-B)

President Wu indicated Motion No. 17-09-1126 was approved by a (5-0) vote

- ◆ The Board was asked to receive, approve, and file the August 2017 Consolidated Investments Transaction Report included in the Board packet. (Item 11-C)

Motion No. 17-09-1127: Upon consideration thereof, it was moved by Director Ebenkamp, 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 August 1, 2017, through August 31, 2017. (Item 11-C)

President Wu indicated Motion No. 17-09-1127 was approved by a (5-0) vote

- ◆ Mr. Teuber reviewed the Revenue Bond Funds Held in Trust and detailed disbursement of bond proceeds reported through August 31, 2017. As this was an informational item, Board action was not needed. (Item 11-D)
- ◆ Mr. Teuber provided an update on the Conservation Portal. He noted that the District would be going live with the portal on October 1, 2017. As this was an informational item, Board action was not needed. (Item 11-E)
- ◆ Mr. Teuber provided an update on online sign-ups. As this was an informational item, Board action was not needed. (Item 11-F)

Item 12: Public Information/Community Relations/Legislative Action Committee

- ◆ The Board received a State legislative update. As this was an informational item, Board action was not needed. (Item 12-A)

- ◆ The Board also received an update on the Little Hoover Commission's Recommendations for Special Districts. As this was an informational item, Board action was not needed. (Item 12-B)

Other Items

Item 13: TVMWD/MWD – Director Hilden

- ◆ The Board received an update on the California WaterFix, and TVMWD Director DeJesus provided a presentation on key aspects of the project. (Item 13-A)

Item 14: 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 14)

Item 15: Puente Basin Water Agency – Director Ebenkamp

- ◆ Director Ebenkamp reported that the next Puente Basin Water Agency (PBWA) meeting is scheduled for September 19, at 7:00 a.m., at Rowland Water District. (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 October, November, and December 2017. (Item 16-B)

Item 17: Water Supply

- ◆ The Board received an update on state legislation relating to long-term conservation and Urban Water Management Planning. (Item 17-A)
- ◆ The Board received a report on the District's drought and water conservation outreach efforts. (Item 17-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 August 2017 was 18.95% lower than usage in August 2013 (the State's "benchmark" year for current conservation analysis), and was 2.20% higher than in August 2016. (Item 17-C)
- ◆ The Board viewed reports on California's water supply and reservoir conditions as of September 4, 2017. (Item 17-D)

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 District committee and Board meetings previously reported, Director Lee stated that she attended the City of Walnut Mayor's Reception, the PBWA Board meeting, the TVMWD Special Managers meeting, the Urban Water Institute Conference in San Diego, and the funeral for Mr. Jack Tanaka, former mayor and council member for the City of Diamond Bar.
- ◆ Director Ebenkamp stated that, in addition to District committee and Board meetings previously reported, he also attended the PBWA Board meeting, an Industry Manufacturer's Council (IMC) breakfast meeting, a TVMWD presentation on the California WaterFix, a Regional Chamber of Commerce Government Affairs Committee Meeting, and a Regional Chamber of Commerce luncheon.
- ◆ In addition to the District committee and Board meetings previously reported, President Wu noted that he also attended a meeting with the General Manager regarding a water issue, the City of Walnut Mayor's Reception, a news media annual event and presentation, the Los Angeles Environmental Forum, one President's Duty event, and the funeral for Mr. Jack Tanaka, former mayor and council member for the City of Diamond Bar. .
- ◆ Director Hilden noted that, in addition to District committee and Board meetings previously reported, he also attended the City of Walnut Mayor's Reception, the TVMWD Special Managers meeting, the 11th Annual San Bernardino County Water Conference, a Regional Chamber of Commerce luncheon, and the funeral for Jack Tanaka, former mayor and council member for the City of Diamond Bar.
- ◆ In addition to District committee and Board meetings previously reported, Director Kwong stated that she attended the City of Walnut Mayor's Reception, and the IMC breakfast meeting. Director Kwong noted that she missed two items on her report for the month of August, and will include those items in her September report.

Item 19: Legal Reports

- ◆ There are no items to report to the Board at this time. (Item 19)

Item 20: Items for Future Discussion

- ◆ President Wu requested that staff prepare an annual summary of the tasks brought before the Committees and Board during each fiscal year. He asked that staff include a total number of all tasks, including those where action was not required. He noted that both staff and the Board work hard on numerous District tasks, besides providing water, and he would like to see a report summarizing everything.

Item 21: Board of Directors Business

- ◆ The Board was asked to approve the addition of Director Theresa Lee to the Association of California Water Agencies (ACWA) Committee Appointment nominations for the 2018-2019 term. Staff recommends the nomination of Director Lee to the Federal Affairs Committee (1st Choice) or the Business Development Committee (2nd Choice). (Item 21-A)

Motion No. 17-09-1128: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden, and carried (5-0), to nominate Director Lee to the Federal Affairs Committee (1st Choice) or the Business Development Committee (2nd Choice). (Item 21-A)*

President Wu indicated Motion No. 17-09-1128 was approved by a (5-0) vote

- ◆ The Board received a presentation by PARS and Highmark Capital Management representatives on the District's Other Post-Employment Benefits (OPEB) Trust Fund investment activities. (Item 21-B. Moved to Item 6)

Motion No. 17-09-1129: *Upon consideration thereof, it was moved by Director Kwong, seconded by Director Lee and unanimously carried (5-0), to receive, approve, and file the presentation by PARS and Highmark Capital Management representatives on the District's Other Post-Employment Benefits (OPEB) Trust Fund investment activities. (Item 21-B)*

President Wu indicated Motion No. 17-09-1129 was approved by a (5-0) vote

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 – 7:31 p.m.

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 – Three Potential Cases. (Item 24-A)
- B. The Board met in closed session in accordance with Government Code Section §54957 to discuss one issue concerning a threat to public services or facilities. (Item 24-B)

Item 25: Reconvene in Open Session/Report of Action Taken in Closed Session – 8:05 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 25-A)
- B. The Board met in closed session in accordance with Government Code §54957 to discuss one issue concerning a threat to public services or facilities. The Board was briefed on the recovery of a few items that had been taken at a recent break-in at District facilities. No reportable action under the Brown Act was taken. (Item 25-B)

Adjournment at 8:06 p.m.

Motion No. 17-09-1130: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden and unanimously carried (5-0), to adjourn the meeting.*

President Wu indicated Motion No. 17-09-1130 was approved by a (5-0) vote