

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

**April 20, 2015
At the Offices of the District**

DIRECTORS PRESENT:

Theodore L. Ebenkamp, President
Barbara A. Carrera
Edwin Hilden

DIRECTORS ABSENT:

Scarlett Kwong
Allen Wu

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
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 De Jesus; Mr. Bruce Chitiea; Mr. Andy Sells, Mr. Jerry Gladbach, and Ms. Melody McDonald of ACWA/JPIA; Mr. Jose Martinez of Walnut Valley Water District.

Item 3: Public Comment –President Ebenkamp

- ◆ There were no requests

Item 4: Additions to the Agenda –President Ebenkamp

- ◆ There were no requests.

Item 5: Reorder of Agenda –President Ebenkamp

- ◆ There were no requests.

Item 6: Association of California Water Agencies Joint Powers Insurance Authority Retrospective Premium Adjustment Stabilization Fund Report: District to Receive a \$92,161 Refund – Presentation by Mr. “Andy” Sells, JPIA Chief Executive Officer

- ◆ Messrs. Andy Sells and Jerry Gladbach, and Ms. Melody McDonald of ACWA/JPIA presented the District with a \$92,161 rebate check from the ACWA/JPIA Retrospective Premium Adjustment Stabilization Fund.

Item 7: Presentation and Update by Mr. Richard Hansen, General Manager, Three Valleys Municipal Water District (TVMWD), On Issues Pertaining to Metropolitan Water District and TVMWD

- ◆ Although Mr. Rick Hansen was unable to attend the Board meeting, TVMWD Director David De Jesus spoke on his behalf and provided a report on current pressing drought-related issues, including the recent Executive Order issued by Governor Brown. He stated that MWD elected to approve implementation of a Water Supply Allocation Plan at a Stage 3 Regional Shortage Level for the period of July 1, 2015 through June 30, 2016. As a result, MWD’s water supply allocation designated for its member agencies will be decreased.

Item 8: Consent Calendar

- ◆ The Board was asked to approve the Consent Calendar, including the minutes of the Regular Board meeting held March 16, 2015, the minutes of the Special Board meeting held March 19, 2015, the Check Register, and a WVWD Employee Expense Reimbursements Report indicating monthly WVWD employee expense reimbursements exceeding the amount of \$100. (Items 8-1, 2, 3, 4)

Motion No. 15-04-754: *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Carrera and unanimously carried (3-0), to receive, approve, and file the Consent Calendar, including minutes of the Regular Board meeting held March 16, 2015, minutes of the Special Board meeting held March 19, 2015, the Check Register, and the WVWD Monthly Employee Expense Reimbursements Report. (Items 8-1, 2, 3, 4)*

President Ebenkamp indicated Motion No. 15-04-754 was approved by a (3-0) vote

- ◆ The Board was asked to consider approval of two Joint Negotiated Tax Exchange Resolutions resulting from the Annexation of Petition No. 50-713 to County Lighting Maintenance District 1687. (Item 8-5)

Motion No. 15-04-755: *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Carrera and unanimously carried (3-0) by roll call vote (as noted below), to approve two resolutions Approving and Accepting the Negotiated Exchange of Property Tax Revenues Annexation of Petition No. 50-713 to County Lighting Maintenance District 1687:*

Ayes: Carrera, Ebenkamp, Hilden

Noes: None

Absent: Kwong, Wu

Abstain: None
Motion Passed (3-0)

President Ebenkamp indicated Motion No. 15-04-755 was approved by a (3-0) roll call vote

Item 9: 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. 15-04-756: *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Carrera, and unanimously carried (3-0), to receive, approve, and file the Board member expense reports for meeting attendance during the month of March 2015. (Item 9)*

President Ebenkamp indicated Motion No. 15-04-756 was approved by a (3-0) vote

Item 10: Treasurer's Report

- ◆ Mr. Teuber reviewed the District Statement of Revenues, Expenses, and Change in Net Assets for the nine-month period ending March 31, 2015, the Statement of Net Assets as of March 31, 2015, and the Summary of Cash and Investments as of March 31, 2015. (Items 10-1, 2, 3)

Motion No. 15-04-757: *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Carrera and unanimously carried (3-0), to receive and file the District Statement of Revenues, Expenses, and Change in Net Assets for the nine-month period ending March 31, 2015; the Statement of Net Assets as of March 31, 2015; and the Summary of Cash and Investments as of March 31, 2015. (Items 10-1, 2, 3)*

President Ebenkamp indicated Motion No. 15-04-757 was approved by a (3-0) vote

Committee Chair Reports

Item 11: Engineering & Special Projects Committee – Director Ebenkamp

- ◆ The Board was asked to accept the work as installed for the Willow Heights Tract 72295 project (P.N. 14-3340) and to authorize the filing of a Notice of Completion with the Office of the Los Angeles County Registrar-Recorder/County Clerk. (Item 11-A)

Motion No. 15-04-758: *Upon consideration thereof, it was moved by Director Carrera, seconded by Director Hilden and unanimously carried (3-0), to accept the work as installed for the Willow Heights Tract 72295 project (P.N. 14-3340) and to authorize the filing of a Notice of Completion with the Office of the Los Angeles County Registrar-Recorder/County Clerk. (Item 11-A)*

President Ebenkamp indicated Motion No. 15-04-758 was approved by a (3-0) vote

- ◆ The Board was asked to rescind WVWD Motion No. 15-03-749 (previously approved at the March 16, 2015 Board meeting) which authorized the General Manager to execute a sole source contract with ARCADIS U.S., Inc. for the update of the SCADA System and the upgrade of the SCADA Backbone Network at a cost of \$716,000 (P.N. 14-3351 & 14-3352). The Board was then asked to authorize the General Manager to execute a sole source contract with MWH Global for the SCADA Backbone Upgrade (P.N. 14-3351 & 14-3352) at a cost of \$716,000. (Item 11-B)

Motion No. 15-04-759: *Upon consideration thereof, it was moved by Director Hilden seconded by Director Carrera and unanimously carried (3-0), to rescind WVWD Motion No. 15-03-749 authorizing the General Manager to execute a sole source contract with ARCADIS U.S. for the update of the SCADA System and the upgrade of the SCADA Backbone Network at a cost of \$716,000 (P.N. 14-3351 & 14-3352); and to authorize the General Manager to execute a sole source contract with MWH Global for the SCADA System and the upgrade of the SCADA Backbone Network at a cost of \$716,000 (P.N. 14-3351 & 14-3352). (Item 11-B)*

President Ebenkamp indicated Motion No. 15-04-759 was approved by a (3-0) vote

Item 12: Personnel Committee – Director Hilden

- ◆ In considering the completion of the questionnaire as requested by the Los Angeles County Registrar-Recorder/County Clerk, the Board determined to maintain the same process as the last election year, with candidates paying for statement printing, handling, and mailing costs at the time of filing with a maximum word limitation of 400, to approve the District pay its pro rata share of the election, and to direct staff to complete and submit the questionnaire received by the Los Angeles County Registrar-Recorder/County Clerk's Election Coordination Unit. (Item 12-A)

Motion No. 15-04-760: *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Carrera and unanimously carried (3-0), to continue to have candidates pay statement printing, handling, and mailing costs at the time of filing and to set the maximum word limitation at 400, to approve the District pay its pro rata share of the election, and to direct staff to complete and submit the questionnaire received by the Los Angeles County Registrar-Recorder/County Clerk's Election Coordination Unit. (Item 12-A)*

President Ebenkamp indicated Motion No. 15-04-760 was approved by a (3-0) vote

- ◆ The Board was then asked to consider adopting WVWD Resolution No. 04-15-615 requesting the Los Angeles County Board of Supervisors permit the Registrar-Recorder/County Clerk to render election services for the November 3, 2015 District election. (Item 12-A)

Motion 15-04-761: Upon consideration thereof, it was moved by Director Carrera, seconded by Director Hilden and unanimously carried (3-0) by roll call vote (as noted below), to adopt WVWD Resolution No. 04-15-615, Requesting the Board of Supervisors of the County of Los Angeles Permit the Registrar-Recorder/County Clerk to Render Election Services for an Election of the Walnut Valley Water District to be Held on November 3, 2015:

Ayes: Carrera, Ebenkamp, Hilden

Noes: None

Absent: Kwong, Wu

Abstain: None

Motion Passed (3-0)

President Ebenkamp indicated Motion No. 15-04-761 was approved by a (3-0) roll call vote

Item 13: Finance Committee – Director Carrera

- ◆ The Board was then asked to receive, approve, and file the District’s Consolidated Investment Transactions Report for March 2015 included in the Board packet. (Item 13-A)

Motion No. 15-04-762: Upon consideration thereof, it was moved by Director Carrera, seconded by Director Hilden and unanimously carried (3-0), to receive, approve, and file the District’s Consolidated Investment Transactions Report for the period of March 1, 2015 through March 31, 2015. (Item 13-A)

President Ebenkamp indicated Motion No. 15-04-762 was approved by a (3-0) 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, Board action was not taken on this item. (Item 13-B)

Item 14: Public Information/Community Relations/Legislative Action Committee–Director Ebenkamp

- ◆ The Board was asked to approve a District “support” position for AB 291 (Medina): CEQA: Local Agencies: Notice of Determination. [Item 14-A(1)]

Motion No. 15-04-763: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Carrera and unanimously carried (3-0), to approve a District ‘support’ position for AB 291 (Medina): CEQA: Local Agencies: Notices of Determination. [Item 14-A(1)]

President Ebenkamp indicated Motion No. 15-04-763 was approved by a (3-0) vote

- ◆ The Board was asked to approve a District “support” position for AB 656 (Garcia): Mutual Water Companies – Joint Powers Authorities. [Item 14-A(2)]

Motion No. 15-04-764: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and unanimously carried (3-0), to approve a District ‘support’ position for AB 656 (Garcia): Mutual Water Companies – Joint Powers Authorities. [Item 14-A(2)]

President Ebenkamp indicated Motion No. 15-04-764 was approved by a (3-0) vote

- ◆ The Board was asked to approve a District “support” position for SB 385 (Hueso): Primary Drinking Water Standards: Variances: Hexavalent Chromium. [Item 14-A(3)]

Motion No. 15-04-765: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Ebenkamp and unanimously carried (3-0), to approve a District ‘support’ position for SB 385 (Hueso): Primary Drinking Water Standards: Variances: Hexavalent Chromium. [Item 14-A(3)]

President Ebenkamp indicated Motion No. 15-04-765 was approved by a (3-0) vote

Other Items

Item 15: TVMWD/MWD – Director Hilden

- ◆ Director Hilden took a moment to review TVMWD’s March 18, 2015 Board meeting activities. (Item 13)

Item 16: The P-W-R Joint Water Line Commission – Erik Hitchman

- ◆ Mr. Hitchman reviewed the March 2015 P-W-R Joint Water Line Commission water use report included in the Board packet.

Item 17: Puente Basin Water Agency –Director Ebenkamp

- ◆ The Board was asked to receive, approve, and file the Puente Basin Water Agency FY 2015-16 Budget, as approved by the PBWA Commissioners at the April 2, 2015 Commission meeting. (Item 17-A)

Motion No. 15-04-766: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and unanimously carried (3-0), to receive, approve, and file the Puente Basin Water Agency FY 2015-16 Budget.* [Item 17-A]

- ◆ The Board received an update on matters discussed at the April 2, 2015 PBWA Commission meeting, including an update on the Outline of the Terms of Participation Agreement associated with the Puente Valley Operable Unit. The Outline is a prelude to the definitive agreement. (Item 17-B)

Item 18: General Manager's Report

- ◆ The Board received a follow-up report on prior Board actions. (Item 18-A)
- ◆ The General Manager reviewed the District's activities calendars for the months of April, May, and June. (Item 18-B)
- ◆ The Board received a report on statewide and local water supply conditions. (Item 18-C)
- ◆ Mr. Holmes provided a brief outline of the items to be discussed at the April 23, 2015, WVWD workshop. (Item 18-D)

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.)

- ◆ Director Hilden reported on his attendance at the District's Board and committee meetings and his participation in judging 'Water is Life' poster entries during the month of March. In addition, he noted his attendance at TVMWD Board meetings, the California Water Conference, the City of Diamond Bar 'State of the City Address,' and a breakfast meeting hosted by Senator Bob Huff.
- ◆ In addition to the Board committee and Board meetings previously reported, Director Carrera noted she attended the PBWA Commission meeting and the City of Diamond Bar 'State of the City Address.'
- ◆ In addition to the District Board and committee meetings, and the PBWA and TVMWD meetings previously reported, Director Ebenkamp indicated he attended a Regional Chamber Government Affairs Committee meeting, and the City of Diamond Bar 'State of the City Address.'
- ◆ Although Director Wu was not in attendance to report on his meeting activities, his Expense Report indicated he attended District Board and committee meetings, and a WasteReuse conference. In addition, he completed Sexual Harassment Prevention training.
- ◆ Although Director Kwong was not in attendance to report on her meeting activities, her Expense Report indicated she attended District Board and committee meetings during the month of March.

Item 20: Legal Reports

- ◆ As a matter of information, Mr. Ciampa reported on the Fourth District Court of Appeal ruling pertaining to San Juan Capistrano's 2010 tiered-rate structure. He then noted a closed session would be held following the regular business meeting.

Item 21: Items for Future Discussion

- ◆ There were no requests made for future items of discussion.

Item 22: Board of Directors Business

- ◆ The Board was asked to provide staff direction regarding the upcoming voting for the ACWA/JPIA Executive Committee. The Board expressed support for Mr. Erdman, Mr. Gladbach, Mr. Hodgins, Mr. Knutson, and Mr. Rupp. (Item 22-A)

Motion No: 15-04-767: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden and unanimously carried (3-0), to direct staff to cast the District's vote for Mr. Erdman, Mr. Gladbach, Mr. Hodgins, Mr. Knutson, and Mr. Rupp when voting for the ACWA/JPIA Executive Committee during the ACWA/JPIA May 2015 election.* (Item 22-A)

President Ebenkamp indicated Motion No. 15-04-767 was approved by a (3-0) vote

Item 23: Public Comment on Closed Session

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

Item 24: Adjourn to Closed Session – 5:58 p.m.**Item 25: Closed Session – 6:25 p.m.**

- The Board met in closed session in accordance with Government Code [§54956.8] to discuss real property negotiation matters pertaining to the purchase price and payment terms relating to acquisition and/or lease of water resources in the Main San Gabriel Basin and Central Basin. The negotiating parties are Michael Holmes and Erik Hitchman, and
- The Board also met in closed session in accordance with Government Code [§54956.9(d)(4)] to discuss one anticipated litigation matter with Legal Counsel.

Item 26: Reconvene in Open Session/Report of Action Taken in Closed Session – 6:33 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 purchase price and payment terms relating to acquisition and/or lease of water resources in the Main San Gabriel Basin and Central Basin. The negotiating parties are Michael Holmes and Erik Hitchman. The Board was briefed on the status of the acquisition.
- B. The Board also met in closed session in accordance with Government Code [§54956.9(d)(4)] to discuss one anticipated litigation matter with Legal Counsel. No reportable action under the Brown Act was taken on those items.

Adjournment at 6:35 p.m.

Motion No: 15-04-768: *Upon consideration thereof, it was moved by Director Carrera, seconded by Director Hilden and unanimously carried (3-0), to adjourn the meeting.*

President Ebenkamp indicated Motion No. 15-04-768 was approved by a (3-0) vote