

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

**February 16, 2016
At the Offices of the District**

DIRECTORS PRESENT:

Scarlett Kwong, President
Theodore L. Ebenkamp
Edwin Hilden
Theresa Lee
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

DIRECTORS ABSENT:

None

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

Guests and others in attendance: Three Valleys Municipal Water District Directors David De Jesus and Joe Ruzicka, and Chief Finance Officer James Linthicum; Chandler Asset Management Mr. Jayson Schmitt; Walnut Valley Water District Mr. Andy Chan

Item 3: Public Comment –President Kwong

- ◆ There were no requests.

Item 4: Additions to the Agenda –Kwong

- ◆ There were no requests.

Item 5: Reorder of Agenda –President Kwong

- ◆ There were no requests.

Item 6: ACWA/JPIA Professional Development Certificate Program Recipient

- ◆ The Board awarded Mr. Andy Chan, Senior Construction Inspector, special recognition for his completion of the ACWA/JPIA Professional Development Program and presented him with an ACWA/JPIA plaque honoring this achievement.

Item 7: Consider Approval of Consent Calendar

- ◆ The Board was asked to approve the Consent Calendar, including the minutes of the regular Board meeting held January 19, 2016, and minutes of the Special Board meeting held January 21, 2016, the check register, and the WVWD Employee Expense Reimbursements Report indicating monthly WVWD employee expense reimbursements exceeding the amount of \$100. (Items 7-1, 2, 3, 4)

Motion No. 16-02-885: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Ebenkamp and unanimously carried (5-0), to receive, approve, and file the Consent Calendar including the minutes of the regular Board meeting held January 19, 2016 and Special Board meeting held January 21, 2016, the check register, and the WVWD Employee Expense Reimbursements Report indicating monthly WVWD employee expense reimbursements exceeding the amount of \$100. (Items 7-1, 2, 3, 4)

President Kwong indicated Motion No. 16-02-885 was approved by a (5-0) 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 January 2016.

Motion No. 16-02-886: 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 during the month of January 2016. (Item 8)

President Kwong indicated Motion No. 16-02-886 was approved by a (5-0) vote

Item 9: Treasurer's Report

- ◆ Mr. Teuber reviewed the District Statement of Revenues, Expenses, and Change in Net Assets as of January 31, 2016; the District Statement of Net Assets as of January 31, 2016; and the Summary of Cash Investments as of January 31, 2016. (Items 9-1, 2, 3)

Motion No. 16-02-887: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden and unanimously carried (5-0), to receive and file the District Statement of Revenues, Expenses, and Change in Net Assets as of January 31, 2016; the Statement of Net Assets as of January 31, 2016; and the Summary of Cash and Investments as of January 31, 2016. (Items 9-1, 2, 3)

President Kwong indicated Motion No. 16-02-887 was approved by a (5-0) vote

Committee Chair Reports

Item 10: Engineering & Special Projects Committee – Director Ebenkamp

- ◆ There were no Engineering Committee matters to come before the Board at this time.

Item 11: Personnel Committee – Director Hilden

- ◆ Ms. Olson provided the Board with an update on the Affordable Care Act reporting mandate. (Item 11-A)

Item 12: Finance Committee – Director Wu

- ◆ Mr. Jayson Schmitt, of Chandler Asset Management, conducted his quarterly review on the current economic climate and on the District's investment activities. Following Mr. Schmitt's presentation, Mr. Teuber briefly reviewed the District's Consolidated Investment Transactions Report for January 2016. After which, the Board was asked to receive, approve, and file the report. (Item 12-A)

Motion No. 16-02-888: Upon consideration thereof, it was moved by Director Wu, 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 January 1, 2016 through January 31, 2016. (Item 12-A)

President Kwong indicated Motion No. 16-02-888 was approved by a (5-0) vote

- ◆ Mr. Teuber reviewed the Revenue Bond Funds Held in Trust and detailed disbursement of bond proceeds reports for January 2016. As this was an informational item only, Board action was not taken on this item. (Item 12-B)
- ◆ The Board next considered a claim received from Nationwide Insurance Company on behalf of Vincent and Cecilia Liem requesting compensation for the expenses to repair damage to their residence located at 291 Macalester Drive, Walnut, allegedly caused by a sheared private fire hydrant on August 8, 2015, and for compensation for other miscellaneous charges resulting from the occurrence. (Item 12-C)

Motion No. 16-02-889: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden and unanimously carried (5-0), to reject the claim submitted by Nationwide Insurance Company on behalf of Vincent and Cecilia Liem, for the expenses to repair damage to their residence located at 291 Macalester Drive, Walnut, allegedly caused by a sheared private fire hydrant on August 8, 2015, and for compensation for other miscellaneous charges resulting from the occurrence, and to direct legal counsel to provide notice of the rejection of that claim to Nationwide Insurance Company. (Item 12-C)

President Kwong indicated Motion No. 16-02-889 was approved by a (5-0) vote

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

- ◆ The Board was asked to consider having the District take an “oppose” position as to AB 1713 (Eggman, D-Stockton): An Act to Add Chapter 1.5 (commencing with Section 115) to Division 1 of the Water Code, Relating to the Sacramento-San Joaquin Delta) and to approve joining the Metropolitan Water District's coalition letter in opposition to AB 1713.

Motion No. 16-02-890: Upon consideration thereof, it was moved by Director Wu, seconded by Director Ebenkamp and unanimously carried (5-0), to approve the District taking an “oppose” position as to AB 1713 (Eggman) and to join a Metropolitan Water District coalition letter opposing the bill. (Item 13-A)

President Kwong indicated Motion No. 16-02-890 was approved by a (5-0) vote

- ◆ The Board was advised that the District had been approached by the Asian American and Pacific Islander Caucus (AAPI) regarding participation in a water education outreach effort targeting Asian Americans and Pacific Islanders in the San Gabriel Valley. Upon review and discussion of the organization's strategic outline for the target audience and the cost estimates, the Board was asked to authorize staff to move forward with discussions with the AAPI in that regard. (Item 13-B)

Motion No. 16-02-891: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and unanimously carried (5-0), to approve the District's involvement in water education outreach to Asian Americans and Pacific Islanders in the San Gabriel Valley and to approve the District's efforts in working with the Asian American and Pacific Islander Caucus (AAPI) in that regard. (Item 13-B)

President Kwong indicated Motion No. 16-02-891 was approved by a (5-0) vote

Other Items

Item 14: TVMWD/MWD – Director Hilden

- ◆ The Board received a report on TVMWD Board meeting activities from the meeting held January 20, 2016. (Item 14)

Item 15: The P-W-R Joint Water Line Commission – Director Kwong

- ◆ Director Kwong reviewed the P-W-R Joint Water Line Commission water use report included in the Board packet. (Item 15)

Item 16: Puente Basin Water Agency –Director Ebenkamp

- ◆ The Board received an update on matters discussed at the February 11, 2016, PBWA Commission meeting. (Item 16)

Item 17: General Manager’s Report

- ◆ The Board received a follow-up report on prior Board actions. (Item 17-A)
- ◆ The General Manager reviewed the District’s activities calendars for February - April 2016. (Item 17-B)
- ◆ Staff made note of the upcoming February 29 - March 9, 2016, MWD Weymouth Treatment Plant Shutdown. (Item 17-C)
- ◆ The Board received a verbal update on Main San Gabriel Basin replenishment water. (Item 17-D)
- ◆ In regards to the Grand Avenue Pipeline Participation Agreement between Valencia Heights Water Company (VHWC) and the District, Mr. Teuber informed the Board that payment from VHWC was received to fully satisfy the notes receivable portion of the Agreement on January 26, 2016. As a follow-up, a letter acknowledging receipt of payment will be forwarded to VHWC. (Item 17-E)

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 2015-16 purchase water projections, conservation goal summary, 2015-16 climate summary, and 2016 monthly water consumption versus the 2013 baseline year. Staff made note that the District’s water usage for January 2016 was 13.66% lower than usage in January 2013. (Item 18-B)
- ◆ The Board viewed reports on California’s water supply and reservoir conditions as of February 9, 2016. (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.)

- ◆ In addition to District committee and Board meetings, PBWA Commission meeting, and the TVMWD Board meetings previously reported, Director Ebenkamp noted his attendance at a SCWUA luncheon and his completion of a Liebert Cassidy Whitmore webinar on ethics training.
- ◆ Director Hilden indicated he attended a SCWUA luncheon and the Friends of the Diamond Bar Library’s Recognition of Volunteers event in addition to the District Board and committee meetings, and the TVMWD Board meetings previously reported.
- ◆ In addition to District committee and Board meetings, and the PBWA meeting previously reported, Director Wu participated in a customer outreach-related meeting with the TZU Chi Educational Foundation. Also, he noted his participation in a JPIA webinar regarding the electronic processing of the Conflict of Interest Form 700, and his attendance at a MWDOC Water Policy Forum.
- ◆ Director Lee noted that in addition to attending the Board meetings previously reported, she participated in a meeting with Executive Staff and attended the Taiwanese-American Chamber of Commerce annual installation gala during the month of January.
- ◆ Director Kwong indicated that in addition to attending the District committee and Board meetings, and the SCWUA meeting previously reported on, she presented a certificate to the TZU Chi Foundation in recognition of their New Year Blessing ceremony on January 24, 2016.

Item 20: Legal Reports

- ◆ As a matter of information, Mr. Ciampa advised the Board that February 19, 2016 is the legislative deadline for the introduction of proposed bills.

Item 21: Items for Future Discussion

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

Item 22: Board of Directors Business

- ◆ Upon consideration of staff’s request to change the June 2016 Board and workshop meeting dates, the Board set the June meeting schedule as follows:
Tuesday, June 14, 5:00 p.m.: Regular Board Meeting
Thursday, June 16, 5:00 p.m.: Board workshop
- ◆ Per a Director request, a change to the March Board and workshop meeting schedule will be considered at the February 18, 2016, Board workshop.
- ◆ The Board was asked to review the General Manager’s Fiscal Year 2015-16 Work Plan Quarterly update; make recommendations and/or revisions; and receive, accept, and file the report. In that respect, a Director request was made to include climatological data in future work plans. (Item 22-B)

Motion No. 16-02-892: Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried (5-0), to receive, accept, and file the General Manager’s Fiscal Year 2015-2016 quarterly update. (Item 22-B)

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 – 6:32 p.m.**Item 25: Closed Session – 6:58 p.m.**

- A. The Board met in closed session in accordance with Government Code [§54957] to discuss public employee discipline/dismissal/release with Legal Counsel.
- B. The Board met in closed session in accordance with Government Code [§54956.9(d)(4)] to discuss one anticipated litigation matter with Legal Counsel.

(Director Wu department the Board meeting at 7:11 p.m.)

Item 26: Reconvene in Open Session/Report of Action Taken in Closed Session – 7:13 p.m.

- A. It was reported that the Board met in closed session in accordance with Government Code [§54957] to discuss public employee discipline/dismissal/release with Legal Counsel. No reportable action under the Brown Act was taken.
- 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 this matter.

Adjournment at 7:14 p.m.