

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

**January 21, 2014
At the Offices of the District**

DIRECTORS PRESENT:

Barbara A. Carrera, President
Theodore L. Ebenkamp
Scarlett P. Kwong
Allen L. Wu
Edwin Hilden

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
Carmen Fleming, Executive Assistant
Timothy Gosney, Legal Counsel

DIRECTORS ABSENT:

None

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

Guests and others in attendance: Director David De Jesus, Director Joe Ruzicka, and Mr. James Linthicum of TVMWD.

Item 3: Public Comment –President Carrera

- ◆ There were no requests.

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 December 12, 2013; the Check Register; and the Operations Report.

Motion No. 14-01-576: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu and unanimously carried (5-0), to receive, approve, and file the Consent Calendar, including minutes of the Regular Board meeting held December 12, 2013, the Check Register, and the Operations Report. (Items 6-A -1, 2, 3)

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. 14-01-577: 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 December 2013. (Item 7)

Item 8: Treasurer’s Report

- ◆ Mr. Teuber indicated that the District’s Statement of Revenues, Expenses, and Change in Net Assets as of November 30, 2013 and the District Statement of Net Assets as of November 30, 2013 were included in the packet for Board review. He then provided an oral report on the District Statement of Revenues, Expenses, and Change in Net Assets as of December 31, 2013; the District Statement of Net Assets as of December 31, 2013, and the Summary of Cash and Investments as of December 31, 2013. Following Mr. Teuber’s report, the Board was asked to receive, approve, and file the Treasurer’s Report.

Motion No. 14-01-578: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Kwong and unanimously carried (5-0), to receive, approve, and file the District Statement of Revenues, Expenses, and Change in Net Assets as of November 30, 2013; the District Statement of Net Assets as of November 30, 2013; the District Statement of Revenues, Expenses, and Change in Net Assets as of December 31, 2013; the District Statement of Net Assets as of December 31, 2013; and the Summary of Cash and Investment as of December 31, 2013. (Items 8-1, 2, 3, 4, 5)

Committee Chair Reports

Item 9: Engineering & Special Projects Committee – Director Kwong

- ◆ The Board was asked to approve Los Angeles County’s request to extend their existing Communication Site Lease held with the District for an additional ten years, at the current rates stated in the existing agreement. (Item 9-A)

Motion No. 14-01-579: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and unanimously carried (5-0), to extend the existing Communication Site Lease with Los Angeles County for an additional ten years, at the current rates stated in the existing Agreement. (Item 9-A)*

- ◆ The Board was asked to authorize the appropriation of \$210,000 from the General Fund for EnerNOC projects. Mr. Hitchman indicated that staff is requesting the appropriation of funds from the General Fund in order to pay vendors and contractors involved during the course of the project. In addition, he noted that upon completion of the project, Southern California Edison will refund approximately \$211,750. (Item 9-B)

Motion No. 14-01-580: *Upon consideration thereof, it was moved by Director Hilden, seconded by Wu and unanimously carried (5-0), to authorize the appropriation of \$210,000 from the General Fund for EnerNOC projects, an amount expected to be fully refunded by Southern California Edison upon completion of the project. (Item 9-B)*

- ◆ The Board was asked to authorize the appropriation of \$20,000 from the General Fund for the purchase of a new valve operation trailer. (Item 9-C)

Motion No. 14-01-581: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu, and unanimously carried (5-0), to authorize the appropriation of \$20,000 from the General Fund for the purchase of a new valve operation trailer. (Item 9-C)*

Item 10: Personnel Committee – Director Ebenkamp

- ◆ The Board was asked to accept the proposal from Prudential Financial for the renewal of the District's short-term disability plan for a one-year rate guarantee, effective February 1, 2014 through January 31, 2015, and to accept the renewal of the long-term disability and life insurance plans, with a two-year rate guarantee, effective February 1, 2014 through January 31, 2016. (Item 10-A)

Motion No. 14-01-582: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Kwong, and unanimously carried (5-0), to accept the proposal from Prudential Financial for the renewal of the District's short-term disability plan (effective February 1, 2014 through January 31, 2015) for a one-year rate guarantee; and the renewal of the District's long-term disability and life insurance plans (effective February 1, 2014 through January 31, 2016) for a two-year rate guarantee. (Item 10-A)*

- ◆ Ms. Olson provided a verbal update on the District's upcoming Employee Recognition Event, noting the event will be held on Saturday, February 22, 2014, at the Park Inn Suites in Covina.

Item 11: Finance Committee – Director Wu

- ◆ The Board was asked to receive, accept, and file the District's Investment Transactions Report for the month of December 2013. (Item 11-A)

Motion No. 14-01-583: *Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden, and unanimously carried (5-0), to receive, accept, and file the District's Investment Transactions Report for the month ending December 31, 2013. (Item 11-A)*

- ◆ The Board received a Preliminary 2014-2015 Budget Meeting Schedule as a matter of information only. (Item 11-B)
- ◆ Mr. Teuber reviewed the Revenue Bond Funds Held in Trust monthly report. It was stated that in light of a previous Director request, the report includes a detailed disbursement of bond proceeds. As this was an informational item only, no Board action was taken on this matter. (Item 11-C)
- ◆ Per request made at the last Board meeting, a review of specific methods and systems utilized by the District to protect customer and District information was provided by Mr. Teuber. (Item 11-D)

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

- ◆ There were no Public Information/Community Relations/Legislative Action Committee matters to come before the Board at this time.

Other Items

Item 13: TVMWD/MWD – Director Hilden

- ◆ Director Hilden reviewed Three Valleys MWD 'Action Line' reports for board meetings held December 18, 2013 and January 15, 2014. Director David De Jesus then took a moment to speak on matters concerning MWD's budget process.

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

- ◆ Director Kwong reviewed the December 2013 and January 2014 P-W-R Joint Water Line Commission water use reports included in the Board packet.

Item 15: Puente Basin Water Agency –Director Carrera

- ◆ The Board was informed that the next PBWA Commission meeting is scheduled for February 6, 2014, at Rowland Water District.

Item 16: General Manager Report

- ◆ The Board received a follow-up report on prior Board actions.
- ◆ The General Manager reviewed the District’s activities calendars for January, February, and March 2014.
- ◆ The General Manager reported on California’s 2014 water supply.
- ◆ Mr. Teuber advised that the District had recently installed a new finance/customer service software program, Cogsdale, and provided a brief explanation regarding the upgrades.

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.)

- ◆ Director Kwong noted her attendance at the District Board meeting held December 12, 2013.
- ◆ In addition to the District Board and PBWA meetings, Director Ebenkamp noted his attendance at a Three Valleys MWD Board meeting and an IMC Luncheon.
- ◆ In addition to the District Board meeting, Director Wu advised of his attendance at the ACWA/JPIA Fall Conference, December 4-6, 2013.
- ◆ In addition to District Board and PBWA meetings, Director Carrera noted her attendance at the ACWA Fall Conference.
- ◆ In addition to the District Board meeting, Director Hilden noted his attendance at a TVMWD Board meeting and the ACWA/JPIA Fall Conference.

Item 18: Legal Reports

- ◆ Mr. Gosney reported on the legislative report (included in the Board packet) prepared for Public Water Agencies Group (PWAG), pertaining to Senate Bill 751, “An Act to Amend Section 54953 of the Government Code Relating to Local Government.” Following his report, he indicated that further review of the bill and Board member training will be conducted at the January 23, 2014 Special Board meeting.
- ◆ Mr. Gosney then noted there would be a brief closed session following the regular business meeting.

Item 19: Items for Future Discussion

- ◆ Director request was made for regular updates on matters relating to California’s 2014 water supply.

Item 20: Board of Directors Business

- ◆ In accordance with the Puente Basin Water Agency Joint Powers Agreement and the Pomona-Walnut-Rowland Joint Water Line Commission Bylaws, the Board was asked to adopt resolutions appointing District representatives to these agencies. (Item 20-A)

Motion No: 14-01-584: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and unanimously carried (5-0), to adopt Resolution No. 01-14-605 appointing Director Barbara Carrera and Director Theodore Ebenkamp as representatives, and Director Allen Wu as alternate representative to serve on the Commission of the Puente Basin Water Agency. (Item 20-A)

Motion No: 14-01-585: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and unanimously carried (5-0), to adopt Resolution No. 01-14-606 appointing Director Scarlett Kwong as representative and Director Barbara Carrera as alternate representative to serve on the P-W-R Joint Water Line Commission. (Item 20-A)

- ◆ The Board was asked to approve revisions to the District’s Cash Reserve Policy. Mr. Teuber indicated that in addition to reformatting the policy, language was added to better articulate the purpose of the policy, the types of reserves maintained by the District, the established reserve levels, and the management of those reserves. (Item 20-B)

Motion No. 14-01-586: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and unanimously carried (5-0), to approve the District’s Cash Reserve Policy as revised. (Item 20-B)

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 – 6:14 p.m.**Item 23: Closed Session – 6:34 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 also met in closed session in accordance with Government Code [§54956.9(b)(2)] to discuss one potential litigation case.

Item 24: Reconvene in Open Session/Report of Action Taken in Closed Session – 6:44 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 acquisition and/or lease of water resources. The negotiating parties are Michael Holmes and Erik Hitchman. No action reportable under the Brown Act was taken on this item.
- B. The Board also met in closed session in accordance with Government Code [§54956.9(b)(2)] to discuss one potential litigation case. No action reportable under the Brown Act was taken on this item.

Adjournment at 6:45 p.m

Motion No. 14-01-587: *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu and unanimously carried (5-0), to adjourn the meeting.*