

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

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

DIRECTORS PRESENT:

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

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

DIRECTORS ABSENT:

None

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, and Mr. James Linthicum; Mr. Jayson Schmitt of Chandler Asset Management; Mr. Bruce Chithea.

Item 3: Public Comment –President Ebenkamp

- ◆ There were no requests for public comment.

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: Consent Calendar

- ◆ The Board was asked to approve the Consent Calendar, including the minutes of the Regular Board meeting held December 15, 2014, the Check Register, and a WVWD Employee Expense Reimbursements Report indicating monthly WVWD employee expense reimbursements exceeding the amount of \$100. (Items 6-1, 2, 3)

Motion No. 15-01-722: 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 15, 2014, the Check Register, and the WVWD Monthly Employee Expense Reimbursements Report. (Items 6-1, 2, 3)

President Ebenkamp indicated Motion No. 15-01-722 was approved by a (5-0) 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. 15-01-723: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu, and unanimously carried (5-0), to receive, approve, and file the Board member expense reports for meeting attendance during the month of December 2014. (Item 7)

President Ebenkamp indicated Motion No. 15-01-723 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 for the six-month period ending December 31, 2014, the Statement of Net Assets as of December 31, 2014, and the Summary of Cash and Investments as of December 31, 2014. (Items 8-1, 2, 3)

Motion No. 15-01-724: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu and unanimously carried (5-0), to receive and file the District Statement of Revenues, Expenses, and Change in Net Assets for the six-month period ending December 31, 2014; the Statement of Net Assets as of December 31, 2014; and the Summary of Cash and Investments as of December 31, 2014. (Items 8-1, 2, 3)

President Ebenkamp indicated Motion No. 15-01-724 was approved by a (5-0) vote

Committee Chair Reports

Item 9: Engineering & Special Projects Committee – Director Kwong

- ◆ The Board was asked to authorize the General Manager to execute two communication site leases between the District and APC Towers, LLC at the Parker Canyon and Ridgeline Reservoir sites. (Item 9-A)

Motion No. 15-01-725: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Carrera and carried (5-0), to authorize the General Manager to execute two communication site lease agreements between the District and APC Towers, LLC at the Parker Canyon and Ridgeline Reservoir sites. (Item 9-A)

President Ebenkamp indicated Motion No. 15-01-725 was approved by a (5-0) vote

Item 10: Personnel Committee – Director Hilden

- ◆ The Board was asked to accept the District's employee disability and life insurance coverage proposal from Reliance Standard, which includes a three-year rate guarantee for the District's life insurance coverage, effective March 1, 2015 through February 28, 2018, and the District's short and long term disability coverages with a two-year rate guarantee, effective March 1, 2015 through February 28, 2017. (Item 10-A)

Motion No. 15-01-726: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Carrera and unanimously carried (5-0), to accept the proposal from Reliance Standard for the District's employee life insurance coverage (effective March 1, 2015 through February 28, 2018) for a three-year rate guarantee; and the District's employee short and long term disability coverages (effective March 1, 2015 through February 28, 2017) for a two-year rate guarantee. (Item 10-A)

President Ebenkamp indicated Motion No. 15-01-726 was approved by a (5-0) vote

- ◆ Ms. Olson provided a verbal update on the District's upcoming Employee Recognition Event, noting the event will be held on Saturday, January 24, 2015, at the Diamond Bar Golf Course. (Item 10-B)

Item 11: Finance Committee – Director Wu

- ◆ Mr. Jayson Schmitt of Chandler Asset Management reviewed the current economic climate and provided an update on the firm's investment activities on behalf of the District. Upon review of the District's portfolio performance for the period ending December 31, 2014, the Board was asked to receive, accept and file investment report. (Item 11-A)

Motion No. 15-01-727: Upon consideration thereof, it was moved by Director Carrera, seconded by Director Hilden and unanimously carried (5-0), to receive, accept, and file the District's Investment Report for the period ending December 31, 2014. (Item 11-A)

President Ebenkamp indicated Motion No. 15-01-727 was approved by a (5-0) vote

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

Motion No. 15-01-728: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Carrera and unanimously carried (5-0), to receive, accept, and file the District's Consolidated Investment Transactions Report for the period of December 1, 2014 through December 31, 2014. (Item 11-B)

President Ebenkamp indicated Motion No. 15-01-728 was approved by a (5-0) 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 11-C)
- ◆ The Board received a Preliminary 2015-2016 Budget Meeting Schedule as a matter of information only. (Item 11-D)

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

- ◆ 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

- ◆ The Board received a report on TVMWD Board meeting activities. (Item 13)

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

- ◆ Director Kwong reviewed the December 2014 P-W-R Joint Water Line Commission water use report included in the Board packet. (Item 14)
- ◆ It was then noted that the P-W-R JWL Commission will hold its next meeting on February 19, 2015, 3:30 p.m., at the Walnut Valley Water District.

Item 15: Puente Basin Water Agency –Director Ebenkamp

- ◆ The Board received an update of the Integrated Regional Water Management Grant. (Item 15-A)
- ◆ The Board received an update on matters discussed at the December 11, 2014 PBWA Commission meeting. (Item 15-B)

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 the months of January, February and March. (Item 16-B)
- ◆ The Board received an update on statewide and local water supply conditions. (Item 16-C)
- ◆ Upon discussion held regarding the District’s agreement for banking services with East West Bank, Director request was made to issue Request for Proposals (RFPs) from financial institutions for banking services prior to the 2016 East West Bank contract renewal date. (Item 16-D)

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 and committee meetings, and the PBWA and TVMWD meetings previously reported, Director Ebenkamp indicated he attended a SGV Regional Chamber lunch meeting, a San Gabriel Valley Public Affairs Network event, and a Diamond Bar city council meeting during the month of December.
- ◆ In addition to the District’s Board and committee meetings, TVMWD Board meeting, and the ACWA/JPIA Fall conference previously reported, Director Hilden advised that he attended an IMC Executive lunch meeting.
- ◆ Director Kwong noted that she attended the District Board and committee meetings, and the ACWA/JPIA Fall conference previously reported.
- ◆ In addition to the District Board and committee meetings, and PBWA Commission meeting previously reported, Director Carrera indicated she attended a Diamond Bar City Council meeting.
- ◆ In addition to the District Board and committee meetings, and the ACWA/JPIA Fall conference previously reported, Director Wu indicated that he attended MWD’s “Water is Life” student artist recognition event.

Item 18: Legal Reports

- ◆ Mr. Ciampa noted there would be a closed session following the regular business meeting.

Item 19: Items for Future Discussion

- ◆ Request was made for review of MWD’s supply allocation plan and its impact to its public member agencies. In addition, Mr. Holmes advised the Board that consideration of formal appointment of Mr. Jim Ciampa as the District’s Legal Counsel and Lagerlof, Senecal, Gosney & Kruse as the District’s law firm will be agendized for the February Board meeting.

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: 15-01-729: Upon consideration thereof, it was moved by Director Carrera, seconded by Director Wu and unanimously carried (5-0) by the roll call vote noted below, to adopt Resolution No. 01-15-613 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)

Aye: Carrera, Ebenkamp, Hilden, Kwong, Wu
No: None
Absent: None

President Ebenkamp indicated Motion No. 15-01-729 was approved by a (5-0) vote

Motion No: 15-01-730: Upon consideration thereof, it was moved by Director Carrera, seconded by Director Hilden and unanimously carried (5-0) by the roll call vote noted below, to adopt Resolution No. 01-15-614 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)

Aye: Carrera, Ebenkamp, Hilden, Kwong, Wu
No: None

Absent: None

President Ebenkamp indicated Motion No. 15-01-730 was approved by a (5-0) vote

- ◆ The Board received a report regarding the ACWA Region 8 Board member vacancy position and no director expressed interest in participating in the nomination process. (Item 20-B)
- ◆ The Board received an election notice of the ACWA/JPIA Executive Committee and no director expressed interest in participating in the nominating process. (Item 20-C)

Item 21: Public Comment on Closed Session

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

Item 22: Adjourn to Closed Session – 6:20 p.m.

Item 23: Closed Session – 6:45 p.m.

- A. The Board met in closed session in accordance with Government Code §54956.9(a) to discuss one existing litigation matter concerning Michelle Lin, Esther Hong, D.H. Hwang and Isabella Hwang for decedent Jessica Hwang vs. Dachan Kim, Kyung Lee Kim, City of Industry, Walnut Valley Water District, County of Los Angeles, Doty Bros. Construction Co., and DOES 1 through 25, Inclusive, Case No. BC433130, and
- B. 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, and
- C. The Board also met in closed session in accordance with Government Code [§54956.9(d)(1)] to discuss one existing litigation matter with Legal Counsel concerning State Farm General Insurance Company v. Walnut Valley Water District and DOES 1-50, inclusive; Los Angeles Superior Court Case No. 14K16267, and
- D. The Board also met in closed session in accordance with Government Code [§54956.9(d)(2)] to discuss one potential litigation matter with Legal Counsel.

Item 24: Reconvene in Open Session/Report of Action Taken in Closed Session – 7:08 p.m.

- A. It was reported that the Board met in closed session in accordance with Government Code §54956.9(a) to discuss one litigation matter concerning Michelle Lin; Esther Hong; D.H. Hwang and Isabella Hwang for decedent Jessica Hwang vs. Dachan Kim; Kyung Lee Kim; City of Industry; Walnut Valley Water District; County of Los Angeles; Doty Bros. Construction Co.; and DOES 1 through 25, Inclusive, Case No. BC433130. The Board was briefed on the status of the case; no action reportable under the Brown Act was taken.
- B. 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 under the Brown Act was taken on this item.
- C. The Board also met in closed session in accordance with Government Code [§54956.9(d)(1)] to discuss one existing litigation matter with Legal Counsel concerning State Farm General Insurance Company v. Walnut Valley Water District and DOES 1-50, inclusive; Los Angeles Superior Court Case No. 14K16267. No reportable action under the Brown Act was taken on this item.
- D. The Board also met in closed session in accordance with Government Code [§54956.9(d)(2)] to discuss one potential litigation matter with Legal Counsel. No action reportable under the Brown Act was taken on this item.

Adjournment at 7:10 p.m.

Motion No. 15-01-731: *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Kwong and unanimously carried (5-0), to adjourn the meeting.*

President Ebenkamp indicated Motion No. 15-01-731 was approved by a 5-0 vote