

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

**July 28, 2014  
At the Offices of the District**

**DIRECTORS PRESENT:**

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

**STAFF PRESENT:**

Michael Holmes, General Manager  
Erik Hitchman, Assistant General Manager/Chief Engineer  
Brian Teuber, Director of Finance  
Sandra Olson, Director of Administrative Services  
Gabriela Sanchez, Executive Secretary  
Carmen Fleming, Executive Assistant  
Terry Lewis, Finance Manager  
Jose Martinez, Administrative Services Manager  
Jim Ciampa, Legal Counsel

**DIRECTORS ABSENT:**

None

The meeting was called to order at 5:02 p.m. with President Carrera presiding.

Guests and others in attendance: Three Valleys Municipal Water District Directors Joe Ruzicka and David De Jesus, and Mr. James Linthicum; Mr. Alex Altman and Ms. Erin Gilhuly of CV Strategies; and Ms. Elizabeth Castro, Student Summer Intern of the Walnut Valley Water District.

**Item 3: Public Comment –President Carrera**

- ◆ There were no requests for public comment. However, Mr. Holmes took a moment to introduce Ms. Elizabeth Castro, participant of the Walnut Valley Water District’s Summer Student Internship Program, to the Board. In addition, Mr. Holmes advised the Board of the recent passing of former WVWD Director, Mr. Edward Layton, and of his funeral arrangements.

**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 June 16, 2014; minutes of the Special Board meeting held July 3, 2014; the Check Register; and Negotiated Joint Tax Exchange Resolutions resulting from the Annexation of Tract No. 72295 to County Lighting Maintenance District 10006.

**Motion No. 14-07-644:** *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 minutes of the Regular Board meeting held June 16, 2014, the minutes of Special Board meeting held July 3, 2014, the Check Register, and Joint Negotiated Tax Exchange Resolutions Resulting from the Annexation of Tract No. 72295 to County Lighting Maintenance District 10006. (Items 6-A -1, 2, 3, 4)*

**President Carrera indicated Motion No. 14-07-644 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. 14-07-645:** *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 June 2014. (Item 7)*

**President Carrera indicated Motion No. 14-07-645 was approved by a 5-0 vote**

**Item 8: Treasurer’s Report**

- ◆ Mr. Teuber advised that due to the fiscal year-end, the District Statement of Revenues, Expenses, and Change in Net Assets, the District Statement of Net Assets, and the Summary of Cash and Investments will be presented at the August Board meeting. (Items 8)

**Committee Chair Reports**

**Item 9: Engineering & Special Projects Committee – Director Kwong**

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

**Item 10: Personnel Committee – Director Ebenkamp**

- ◆ There were no Personnel Committee matters to come before the Board.

**Item 11: Finance Committee – Director Wu**

- ◆ There were no Finance Committee matters to come before the Board.

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

- ◆ There were no Public Information Committee matters to come before the Board.

**Other Items****Item 13: TVMWD/MWD – Director Hilden**

- ◆ The Board received TVMWD ‘Action Line’ reports for Board meetings held June 18 and July 16, 2014. In addition, they were notified that an election of the TVMWD, for Divisions 1, 3, and 5, will be held on November 4, 2014. (Item 13)

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

- ◆ Director Kwong reviewed the June 2014 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**

- ◆ The Board received an update on the PBWA Groundwater Resource Project Integrated Regional Water Management (IRWM) Grant. The next PBWA Commission meeting is scheduled for August 7, 2014, 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 a report on the District’s drought contingency plan and water supply. Mr. Holmes advised that District staff will maintain close coordination with Local, Regional Water, State and Federal Agencies with regards to the status of WVWD’s water supply. (Item 16-B)
- ◆ The General Manager reviewed the District’s activities calendars for August, September, and October 2014. (Item 16-C)
- ◆ The Board received an update on District Community Outreach efforts. (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.)

- ◆ Director Kwong advised she attended the WVWD Board and P-W-R JWL Commission meetings previously reported. Additionally, she reported on her attendance at the SGV Regional Chamber Annual Installation dinner.
- ◆ In addition to the District’s Board and committee meetings previously reported, Director Hilden advised of his attendance at Three Valleys MWD’s Board meetings and Leadership Breakfast, the Diamond Bar Chinese American Association Annual Gala, and the SGV Regional Chamber Annual Installation dinner.
- ◆ In addition to the District Board, committee, and TVMWD meetings previously reported, Director Ebenkamp noted his attendance at the SGV Regional Chamber Annual Installation dinner.
- ◆ In addition to the District committee meetings previously reported, Director Wu reported on his participation in the AWWA Annual Conference and Exhibition (ACE) held in Boston, Massachusetts. Furthermore, Dr. Wu attended the SGV Regional Chamber Annual Installation dinner.
- ◆ Director Carrera reported on her attendance at District Board and committee meetings previously reported, and an employee recognition luncheon with WVWD staff.

**Item 18: Legal Reports**

- ◆ Mr. Ciampa provided an update on the NPDES permit. He then noted there would be a closed session following the regular business meeting.

**Item 19: Items for Future Discussion**

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

**Item 20: Board of Directors Business**

- ◆ The Board viewed a public outreach presentation by representatives of CV Strategies. (Item 20-A)
- ◆ The Board reviewed proposed drought rate surcharges developed by District staff in response to drought conditions currently impacting the state. Mr. Hitchman indicated that the proposed drought rates were developed based on the stages of the District’s Water Conservation Ordinance No. 06-09-07 and will comply with water conservation measures and any potential scenarios related to the ongoing drought, and can respond effectively, while still collecting sufficient revenues to allow the District to continue to effectively operate. The Board collectively decided to agendaize further review of the proposed drought rate surcharges at the August 21, 2014 WVWD Board workshop. (Item 20-B)
- ◆ The Board was asked to authorize the General Manager to execute all necessary agreements to contract with Invoice Cloud for both online and Integrated Voice Recognition (IVR) payment processing services. Additionally, they were asked to authorize the purchase and implementation of the Customer Web module from Cogsdale Corporation in an amount not-to-exceed \$25,000. (Item 20-C)

**Motion No. 14-07-646:** *Upon consideration thereof, it was moved by Director Wu, seconded by Director Kwong, and carried (4-1) by roll call vote (as noted below), to authorize the General Manager to execute all necessary agreements to contract with Invoice Cloud for online and Integrated Voice Recognition (IVR) payment processing services; to authorize the purchase and implementation of the Customer Web module from Cogsdale Corporation in an amount not-to-exceed \$25,000; and to authorize the District to absorb the costs associated with processing online payments. (Item 20-C)*

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

*Motion Passed (4-1)*

**President Carrera indicated Motion No. 14-07-646 was approved by a (4-1) roll call vote, with Director Ebenkamp voting no on the motion**

- ◆ The Board was asked to consider approval of Resolution No. 07-13-609, Establishing Water Standby Charges” for submittal to the Los Angeles County Auditor Controller. Staff noted a public hearing was previously held on June 16, 2014 to receive public comments regarding the Water Standby Charge Report prepared by Willdan Financial Services or comments regarding the adoption of the proposed resolution, and that no comments were received. (Item 21-D)

**Motion No. 14-07-647:** *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu, and carried (5-0), to adopt Resolution No. 07-13-609 “Establishing Water Standby Charges to Holders of Title to Land” for submittal to the Los Angeles County Auditor Controller. (Item 21-D)*

**President Carrera indicated Motion No. 14-07-647 was approved by a 5-0 vote**

- ◆ Mr. Teuber reviewed the District’s Investment Transactions Report for the month ending June 30, 2014, following which the Board was asked to receive, accept and file the report. (Item 20-E).

**Motion No. 14-07-648:** *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden, and carried (5-0), to receive, accept, and file the District’s Investment Transactions Report as of June 30, 2014. (Item 20-E)*

**President Carrera indicated Motion No. 14-07-648 was approved by a 5-0 vote**

- ◆ The Board was asked to execute contracts for labor and materials for the Walnut Leaf Pump Station Reconfiguration Project (P.N. 12-3266), to find that the project is exempt pursuant to CEQA Guidelines Categorical Exemption Section 15301 and Statutory Exemption under CEQA Guidelines Section 15282, and to authorize staff to file a Notice of Exemption for the subject project with the office of the Los Angeles County Registrar-Recorder/County Clerk. (Item 20-F)

**Motion No. 14-07-649:** *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu, and carried (5-0), execute contracts for labor and materials for the Walnut Leaf Pump Station Reconfiguration Project (P.N. 12-3266) as noted below, to find that the project is exempt pursuant to CEQA Guidelines Categorical Exemption Section 15301 and Statutory Exemption under CEQA Guidelines Section 15282, and to authorize staff to file a Notice of Exemption for the subject project with the office of the Los Angeles County Registrar-Recorder/County Clerk. (Item 20-F)*

<u>Bid</u>	<u>Supplier</u>	<u>Price</u>
Labor	Doty Bros. Equipment Co.	\$ 94,547.00
Ductile Iron Pipe	D’Angelo	5,453.92
Resilient Wedge Gate Valves	Western Water Works	9,890.66
Steel Pipe & Fittings	D’Angelo	10,035.74
Service Materials	D’Angelo	168.03
D.I. Fittings & Misc. Matls.	D’Angelo	6,686.55

**President Carrera indicated Motion No. 14-07-649 was approved by a 5-0 vote**

- ◆ The Board was asked to authorize the General Manager to execute contracts for labor and materials for the Willow Heights Tract 72295 (P.N. 14-3340), to find that the project is exempt pursuant to Statutory Exemption under CEQA Guidelines Section 15282, and to authorize staff to file a Notice of Exemption for the project with the Office of the Los Angeles County Registrar-Recorder/County Clerk.

**Motion No. 14-07-650:** *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden, and carried (5-0), to execute contracts for labor and materials for the Willow Heights Tract 72295 Project (P.N. 14-3340) as noted below, to find that the project is exempt pursuant to Statutory Exemption under CEQA Guidelines Section 15282, and to authorize staff to file a Notice of Exemption for the project with the office of the Los Angeles County Registrar-Recorder/County Clerk. (Item 20-G)*

<u>Bid</u>	<u>Supplier</u>	<u>Price</u>
Labor	Sully-Miller Contracting Co.	\$ 435,870.00
Ductile Iron Pipe	Western Water Works	83,941.72
Resilient Wedge Gate Valves	Western Water Works	31,739.71
Saddles, Setters & Jumpers	HD Supply Waterworks	72,615.89
Service Materials	C. Wells Pipeline Materials	46,346.26
D.I. Fittings & Misc. Materials	Dangelo Co.	43,105.36

**President Carrera indicated Motion No. 14-07-650 was approved by a 5-0 vote**

- ◆ The Board was asked to authorize the General Manager to execute a new agreement with Cintas to provide uniform services for twenty-five District employees for a proposed three-year contract term, August 1, 2014 – September 30, 2017.

**Motion No. 14-07-651:** *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu, and carried (5-0), to authorize the General Manager to execute a new contract with Cintas to provide uniform services for twenty-five District employees for a three-year contract term, August 1, 2014 - September 30, 2017. (Item 20-H)*

**President Carrera indicated Motion No. 14-07-651 was approved by a 5-0 vote**

- ◆ The Board was asked to authorize staff to file with the Los Angeles County Board of Supervisors-Executive Office the 2014 Biennial Certification form, indicating “no amendments” were required to the District’s Conflict of Interest Code. (Item 20-I)

**Motion No. 14-07-652:** *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden, and carried (5-0), to authorize staff to file with the Los Angeles County Board of Supervisors-Executive Office the 2014 Biennial Review Certification form indicating “No Amendment is Required” to the District’s Conflict of Interest Code. (Item 20-I)*

**President Carrera indicated Motion No. 14-07-652 was approved by a 5-0 vote**

- ◆ Pursuant to discussion held at the June 16, 2014 Board meeting, the Board was asked to review and consider approval of an amendment to the General Manager’s contract (Amendment No. 10) and to authorize the Board President to execute the completed contract.
- ◆ Ms. Olson indicated that the pension plan adjustments will result in a net decrease of approximately 1.645% in overall compensation to the General Manager. (Item 20-J)

**Motion No. 14-07-653:** *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Kwong, and carried (5-0), to approve Amendment No. 10 to the General Manager’s contract, and to authorize the Board President to execute the completed contract. (Item 20-J)*

**President Carrera indicated Motion No. 14-07-653 was approved by a 5-0 vote**

**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 – 7:28 p.m.**

**Item 23: Closed Session – 7:43 p.m.**

- 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
- 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
- The Board met in closed session in accordance with Government Code [§54956.9(b)(2)] to discuss three potential litigation items with Legal Counsel.

**Item 24: Reconvene in Open Session/Report of Action Taken in Closed Session – 7:10 p.m.**

- 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 and the Board took action by unanimous vote to approve settlement of the case.

- B. It was also reported that the Board also met in closed session in accordance with Government Code [§54956.8] to discuss real property negotiation matters pertaining to the unsuccessful 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. It was also reported that the Board met in closed session in accordance with Government Code [§54956.9(b)(2)] to discuss three potential litigation items with Legal Counsel. The Board discussed those three items and no reportable action under the Brown Act was taken on these items.

**Adjournment at 8:13 p.m. in memory of Mr. Edward Layton  
Former Walnut Valley Water District Board of Director  
(Years of Service: November 29, 1985 – December 3, 2005)**