

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

**June 15, 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  
Brian Teuber, Director of Finance  
Gabriela Sanchez, Executive Secretary  
Jim Ciampa, Legal Counsel

**DIRECTORS ABSENT:**

None

The meeting was called to order at 5:02 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. Bruce Chittea; Beatriz Medina and Maureen Coleman of Willdan Financial Services.

**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: Public Hearing: Consideration of Annual Approval of the District’s Standby Charge Report**

- ◆ President Ebenkamp opened the public hearing to receive comments regarding the Water Standby Charge Report prepared by Willdan Financial Services. Mr. Teuber reviewed the report, noting staff is recommending no change in the current assessment. Representatives from Willdan Financial Services were present to answer questions; however, there were none. There were also no requests to make public comment. President Ebenkamp then closed the public hearing. (Items 6-A, B, C, D)
- ◆ The Board was then asked to approve staff’s recommendation to continue its Standby Charge at the current rate and to receive and file the Water Standby Charge Report prepared by Willdan Financial Services. It was noted that the Board would consider adoption of a Resolution Establishing Water Standby Charges at the July 27, 2015 WVWD Board meeting. (Item 6-E)

**Motion No. 15-06-785:** *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu and unanimously carried (5-0), to approve continuation of the District Standby Charge at its current rate and to receive and file the Water Standby Charge Report prepared by Willdan Financial Services. (Item 6-E)*

**President Ebenkamp indicated Motion No. 15-06-785 was approved by a 5-0 vote**

**Item 7: Consent Calendar**

- ◆ The Board was asked to approve the Consent Calendar, including the minutes of the Special Board meeting held May 14, 2015, the minutes of the regular Board meeting held May 18, 2015, the minutes of the Special Board meeting held May 21, 2015, the Check Register, and a WVWD Employee Expense Reimbursements Report indicating monthly WVWD employee expense reimbursements exceeding the amount of \$100.

**Motion No. 15-06-786:** *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 Special Board meeting held May 14, 2015, minutes of the Regular Board meeting held May 18, 2015, minutes of the Special Board meeting held May 21, 2015, the Check Register, and the WVWD Monthly Employee Expense Reimbursements Report. (Items 7-1, 2, 3, 4, 5)*

**President Ebenkamp indicated Motion No. 15-06-786 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 May 2015. (Item 8)

**Motion No. 15-06-787:** *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Kwong, and unanimously carried (5-0), to receive, approve, and file the Board member expense reports for meeting attendance during the month of May 2015. (Item 8)*

**President Ebenkamp indicated Motion No. 15-06-787 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 for the eleven-month period ending May 31, 2015, the Statement of Net Assets as of May 31, 2015, and the Summary of Cash and Investments as of May 31, 2015. (Items 9-1, 2, 3)

**Motion No. 15-06-788:** *Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried (5-0), to receive and file the District Statement of Revenues, Expenses, and Change in Net Assets for the eleven-month period ending May 31, 2015; the Statement of Net Assets as of May 31, 2015; and the Summary of Cash and Investments as of May 31, 2015. (Items 9-1, 2, 3)*

**President Ebenkamp indicated Motion No. 15-06-788 was approved by a (5-0) vote**

**Committee Chair Reports**

**Item 10: Engineering & Special Projects Committee – Director Kwong**

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

**Item 11: Personnel Committee – Director Hilden**

- ◆ The Board was asked to consider approval of proposed amendments to 'Exhibit C- Retiree Medical Insurance Benefits Vesting Schedule' of the Terms and Conditions of Employment for the General Employees Unit (GEU), Mid-Management, and Executive Staff addressing changes to retiree health care coverage. (Item 11-A)

**Motion No. 15-06-789:** *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Carrera and unanimously carried (5-0), to approve amendments to 'Exhibit C – Retiree Medical Insurance Benefits Vesting Schedule' of the Terms and Conditions of Employment for the General Employees Unit (GEU), Mid-Management, and Executive Staff. (Item 11-A)*

**President Ebenkamp indicated Motion No. 15-06-789 was approved by a (5-0) vote**

- ◆ The Board was asked to consider approval of proposed amendments to Article 18 – Sick Leave Provisions of the Terms and Conditions of Employment for the General Employees Unit (GEU), Mid-Management, and Executive Staff addressing changes made to California law effective July 1, 2015. (Item 11-B)

**Motion No. 15-06-790:** *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu and unanimously carried (5-0), to approve amendments to Article 18 – Sick Leave Provisions of the Terms and Conditions of Employment for the General Employees Unit (GEU), Mid-Management, and Executive Staff. (Item 11-B)*

**President Ebenkamp indicated Motion No. 15-06-790 was approved by a (5-0) vote**

- ◆ The Board was asked to consider approval of amendments to District Personnel Policies, in particular to the 9/80 Work Schedule Policy, Family Care and Medical Leave Policy, and Smoking Policy. Ms. Olson indicated that pursuant to revisions made in the negotiated and adopted Terms and Conditions of Employment for the period of July 1, 2014 through June 30, 2017 and recent amendments to state labor laws, changes are proposed for these policies. These amendments have been reviewed by labor counsel, District legal counsel, the Personnel Committee and WWWD employee group representatives. (Item 11-C)

**Motion No. 15-06-791:** *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Kwong and unanimously carried (5-0), to approve amendments to the District's 9/80 Work Schedule Policy, the Family Care and Medical Leave Policy, and the Smoking Policy in the form presented to the Board. (Item 11-C)*

**President Ebenkamp indicated Motion No. 15-06-791 was approved by a (5-0) vote**

**Item 12: Finance Committee – Director Wu**

- ◆ The Board was asked to receive, approve, and file the District's Consolidated Investment Transactions Report for May 2015 included in the Board packet. (Item 12-A)

**Motion No. 15-06-792:** *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 May 1, 2015 through May 31, 2015. (Item 12-A)*

**President Ebenkamp indicated Motion No. 15-06-792 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. (Item 12-B)

- ◆ Mr. Teuber advised the Board that the government auditing principals at Mayer, Hoffman, McCann, P.C. (MHM) had come to an agreement to purchase MHM's California government auditing/attest practice and to provide those services by a new and separate firm under the name of Davis Farr LLP. In light of this acquisition, the Board requested that staff terminate the contract awarded to MHM for auditing services (a 3-year term set to commence with FY 2015), and to approve the engagement of Davis Farr LLP for auditing services for a three-year term commencing with FY 2015. (Item 12-C)

**Motion No. 15-06-793:** *Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried (5-0), to conditionally rescind the District's contract for auditing services with Mayer, Hoffman, McCann, P.C., and approve a three-year contract for auditing services with Davis Farr LLP (subject to Legal Counsel's review and approval of the final version of that contract and receipt of a letter of termination from Mayer, Hoffman, McCann) for a three-year term commencing with fiscal year 2015. (Item 12-C)*

**President Ebenkamp indicated Motion No. 15-06-793 was approved by a (5-0) vote**

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

- ◆ Verbal consent to ratify District opposition to SB 272 (Hertzberg) and Budget Trailer Bill 825 was given by the Board. (Item 13-A)

**Other Items**

**Item 14: TVMWD/MWD – Director Hilden**

- ◆ Director Hilden took a moment to review TVMWD's May 20, 2015 Board meeting activities. (Item 14)

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

- ◆ Director Kwong reviewed the May 2015 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 noted the PBWA's approval of the Water Storage and Export Agreement with the Main San Gabriel Basin Watermaster. (Item 16-A)
- ◆ The Board received an update on matters discussed at the June 4, 2015 PBWA Commission meeting. (Item 16-B)

**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 the months of June, July and August. (Item 17-B)
- ◆ The Board received a report on statewide and local water supply conditions, including an update on District water usage for May 2015 that was 29% lower than usage in May 2013. (Item 17-C)
- ◆ The Board received a memorandum from the California Office of Emergency Services providing an update on the current drought conditions. (Item 17-D)
- ◆ The Board received a recap on District May Water Awareness month activities. (Item 17-E)
- ◆ Mr. Holmes advised the Board of the possible cancellation of the June 18, 2015 Special Board meeting contingent upon approval of agenda Item 21-B, WVWD FY 2015-16 Budget. (Item 17-F)

**Item 18: 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 District Board and committee meetings and 'Water is Life' poster/essay recognition event, a TVMWD Board meeting, an event hosted by Senator Huff, the Walnut Valley Educational Foundation's "Night of the Stars" dinner, and a Diamond Bar City Council meeting.
- ◆ Director Wu advised that he attended District committee meetings, Board meetings, and 'Water is Life' activities including the poster/essay recognition event and the elected officials barbecue, in addition to the Diamond Bar High School Hand Bell Performance concert, and a Diamond Bar City Council meeting.
- ◆ In addition to the District Board meetings, committee meetings, and the 'Water is Life' poster/essay recognition event and barbecue previously reported, Director Kwong participated in an interview conducted by Singtao Newspaper.
- ◆ Director Carrera indicated she attended District committee meetings, Board meetings, and the PBWA Commission meeting previously reported, in addition to a Diamond Bar City Council meeting.
- ◆ In addition to District committee and Board meetings, the PBWA Commission meeting and TVMWD Board meeting previously reported, Director Ebenkamp reported on his participation in the District 'Water is Life' activities including the poster/essay recognition event and the elected officials barbecue.

**Item 19: Legal Reports**

- ◆ Mr. Ciampa spoke on Budget Trailer Bill 820, the modified opinion in the case of Capistrano Taxpayers Association, Inc. v. City of San Juan Capistrano and subsequent requests for depublication of that appellate court opinion that had been filed by the California Attorney General on behalf of the State Water Resources Control Board and by ACWA, the League of California Cities and the California State

Association of Counties. He then noted a closed session would be held following the regular business meeting.

**Item 20: Items for Future Discussion**

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

**Item 21: Board of Directors Business**

- ◆ The Board was asked to consider the Association of California Water Agencies (ACWA) Nominating Committee call for candidates for the Region 8 Board for the 2016-17 term. Although no interest was taken by the Board, consensus was given to support the nomination of Mr. Holmes. If approved, staff would then submit a completed Region Board Candidate Nomination Form and resolution supporting his nomination to ACWA by June 30, 2015. (Item 21-A)

**Motion No. 15-06-794:** *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu and unanimously carried (5-0), to support the nomination of Mr. Michael Holmes as a member of the Association of California Water Agencies (ACWA) Region 8 Board, for the 2016-2017 term. (Item 21-A)*

**President Ebenkamp indicated Motion No. 15-06-794 was approved by a (5-0) vote**

**Motion No. 15-06-795:** *At this time a roll call vote was taken on Director Wu's motion to adopt a WVWD Resolution of Support Placing in Nomination Mr. Michael Holmes as a Member of the Association of California Water Agencies (ACWA) Region 8 Board. (Item 21-A)*

**Yes:** *Carrera, Ebenkamp, Hilden, Kwong, Wu*

**No:** *None*

**Motion Passed (5-0)**

**President Ebenkamp indicated Motion No. 15-06-795 was approved by a (5-0) roll call vote**

- ◆ The Board was asked to consider approval of the District's FY 2015-16 proposed Budget consisting of \$32,182,440 in Revenues, \$29,771,238 in Expenses, \$2,411,202 in Reserve Funding, \$16,696,900 in the Capital Investment Program Budget, District Chart of Positions, District Organizational Chart, and Employee Salary Ranges. (Item 21-B)

**Motion No. 15-06-796:** *Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden, and carried (5-0), to approve the District's FY 2015-16 Budget, as presented, consisting of \$32,182,440 in Revenues, \$29,771,238 in Expenses, \$2,411,202 in Reserve Funding, \$16,696,900 in the Capital Investment Program Budget, District Chart of Positions, District Organizational Chart, and Employee Salary Ranges. (Item 21-C)*

**President Ebenkamp indicated Motion No. 15-06-796 was approved by a 5-0 vote**

**Item 22: Public Comment on Closed Session**

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

**Item 23: Adjourn to Closed Session – 6:35 p.m.**

**Item 24: Closed Session – 6:55 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, and
- 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.

**Item 25: Reconvene in Open Session/Report of Action Taken in Closed Session – 6:56 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. No reportable action under the Brown Act was taken on this item.
- 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 item.

**Adjournment at 6:57 p.m.**

**Motion No. 15-06-797:** *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. 15-06-797 was approved by a (5-0) vote**