

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

May 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
Carmen Fleming, Executive Assistant
Jim Ciampa, Legal Counsel

DIRECTORS ABSENT:

None

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

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

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: Consider Approval of Consent Calendar

- ◆ The Board was asked to approve the Consent Calendar, including the minutes of the regular Board meeting held April 18, 2016, and minutes of the Special Board meeting held April 21, 2016, the check register, the WVWD Employee Expense Reimbursements Report indicating monthly WVWD employee expense reimbursements exceeding the amount of \$100; LAFCO FY 2016-17 Proposed Budget; and LAFCO Election Results. (Items 6-1, 2, 3, 4, 5, 6)

Motion No. 16-05-917: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and unanimously carried (5-0), to receive, approve, and file the Consent Calendar including the minutes of the regular Board meeting held April 18, 2016, and Special Board meeting held April 21, 2016, the check register, the WVWD Employee Expense Reimbursements Report indicating monthly WVWD employee expense reimbursements exceeding the amount of \$100; the LAFCO FY 2016-17 Proposed Budget; and LAFCO Election Results. (Items 6-1, 2, 3, 4, 5, 6)*

President Kwong indicated Motion No. 16-05-917 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 for events occurring during April 2016.

Motion No. 16-05-918: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden and unanimously carried (5-0), to receive, approve, and file the Board member expense reports for meeting attendance during the month of April 2016. (Item 7)*

President Kwong indicated Motion No. 16-05-918 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 as of April 30, 2016; the District Statement of Net Assets as of April 30, 2016; and the Summary of Cash Investments as of April 30, 2016. (Items 8-1, 2, 3)

Motion No. 16-05-919: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and unanimously carried (5-0), to receive and file the District Statement of Revenues, Expenses, and Change in Net Assets as of April 30, 2016; the Statement of Net Assets as of April 30, 2016; and the Summary of Cash and Investments as of April 30, 2016. (Items 8-1, 2, 3)*

President Kwong indicated Motion No. 16-05-919 was approved by a (5-0) vote

Committee Chair Reports

Item 9: Engineering & Special Projects Committee – Director Ebenkamp

- ◆ The Board was asked to authorize the General Manager to execute contracts for labor and materials per the bid results listed below for the Water Distribution System for Tract 73294 (P.N. 15-3398); to find the project is exempt pursuant to CEQA Guidelines Categorical Exemption 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 9-A)

<u>Bid</u>	<u>Supplier</u>	<u>Price</u>	<u>Delivery</u>
Labor	Brkich Construction	\$ 287,090.00	N/A
Ductile Iron Fittings & Misc. Matls.	D'Angelo Co., Inc.	36,868.91	15-20 Days
Resilient Wedge Gate Valves	Ferguson Waterworks	32,407.59	1-7 Days
Ductile Iron Pipe	Ferguson Waterworks	49,332.75	3-5 Days
Service Materials	S&J Supply Co., Inc.	28,060.85	45 Days
Saddles, Setters & Jumpers	HD Supply Waterworks	29,803.15	7-14 Days

Motion No. 16-05-920: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and unanimously carried (5-0), to authorize the General Manager to execute contracts for labor and materials per the bid results listed below for the Water Distribution System for Tract 73294 (P.N. 15-3398); to find the project is exempt pursuant to CEQA Guidelines Categorical Exemption 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.*

<u>Bid</u>	<u>Supplier</u>	<u>Price</u>	<u>Delivery</u>
<i>Labor</i>	<i>Brkich Construction</i>	<i>\$ 287,090.00</i>	<i>N/A</i>
<i>Ductile Iron Fittings & Misc. Matls.</i>	<i>D'Angelo Co., Inc.</i>	<i>36,868.91</i>	<i>15-20 Days</i>
<i>Resilient Wedge Gate Valves</i>	<i>Ferguson Waterworks</i>	<i>32,407.59</i>	<i>1-7 Days</i>
<i>Ductile Iron Pipe</i>	<i>Ferguson Waterworks</i>	<i>49,332.75</i>	<i>3-5 Days</i>
<i>Service Materials</i>	<i>S&J Supply Co., Inc.</i>	<i>28,060.85</i>	<i>45 Days</i>
<i>Saddles, Setters & Jumpers</i>	<i>HD Supply Waterworks</i>	<i>29,803.15</i>	<i>7-14 Days</i>

(Item 9-A)

President Kwong indicated Motion No. 16-05-920 was approved by a (5-0) vote

Item 10: Personnel Committee – Director Hilden

- ◆ The Board was asked to review and consider adoption of the proposed amendments to the District's Discrimination and Harassment Policy. Ms. Olson made note that the proposed amendments have been drafted by District labor counsel and are in compliance with state and federal regulations. (Item 10-A)

Motion No. 16-05-921: *Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried (5-0), to adopt amendments to the District's Discrimination and Harassment policy as presented. (Item 10-A)*

President Kwong indicated Motion No. 16-05-921 was approved by a (5-0) vote

Item 11: 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. Upon review of the District's portfolio performance for the period ending April 30, 2016, the Board received, accepted and filed the investment report. (Item 11-A)

Motion No. 16-05-922: *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 Investment Report for the period of April 1, 2016 through April 30, 2016. (Item 11-A)*

President Kwong indicated Motion No. 16-05-922 was approved by a (5-0) vote

- ◆ The Board was asked to receive, approve, and file the April 2016 Consolidated Investments Transaction Report included in the Board packet. (Item 11-B)

Motion No. 16-05-923: 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 April 1, 2016 through April 30, 2016. (Item 11-B)

President Kwong indicated Motion No. 16-05-923 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 April 2016. As this was an informational item only, Board action was not needed. (Item 11-C)
- ◆ The Board was asked to schedule a Public Hearing to be held during the June 14, 2016, Board meeting to receive comments regarding the District's Standby Charge Assessment. (Item 11D)

Motion No. 16-05-924: Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried (5-0), to schedule a public hearing to be held during the June 14, 2016, Board meeting to receive and respond to comments regarding the District's Standby Charge Assessment. (Item 11-D)

President Kwong indicated Motion No. 16-05-924 was approved by a (5-0) vote

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

- ◆ The Board was asked to consider having the District take a “support” position for Long-Term Water Conservation and Management Policy in California by adopting Resolution No. 05-16-626.
- ◆ The Board was then asked to consider remitting a letter to State Legislators noting the District's concerns for long-term water conservation and management strategy. (Item 12-A)

Motion No: 16-05-925: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and unanimously carried (5-0) by the roll call vote noted below, to adopt Resolution No. 05-16-626 establishing the Long-Term Water Conservation and Management Policy in California and remitting a letter to State Legislators noting the District's concerns for long-term water conservation and management strategies. (Item 12-A)

Aye: Ebenkamp, Hilden, Kwong, Lee, Wu

No: None

Absent: None

President Kwong indicated Motion No. 16-05-925, approving Resolution Nos. 05-16-626 was approved by a (5-0) roll call vote

Other Items

Item 13: TVMWD/MWD – Director Hilden

- ◆ Director Hilden reviewed TVMWD's “Action Line” report of meeting activities from the Board meeting held on April 20, 2016.
- ◆ It was noted that the next TVMWD Board meeting will be held on May 18, 2016. (Item 13)

Item 14: 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 14)

Item 15: Puente Basin Water Agency –Director Ebenkamp

- ◆ The Board received an update on matters discussed at the May 5, 2016, PBWA Commission meeting. (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 the District's activities calendars for May - July 2016.
- ◆ Ms. Olson updated the Board on the May 2016 Water Awareness Month events. (Item 16-B)
- ◆ Mr. Holmes advised that the Puente Basin Watermaster's 2016-17 Final Operating Safe Yield was included for information only. (Item 16-C)

- ◆ The Board was advised of the subject matter for the May 26, 2016 Board workshop, at 4:00 p.m. (Item 16-D)

Item 17: Water Supply and Drought

- ◆ The Board received a briefing on the proposed extended water conservation regulation for urban water suppliers and permanent conservation framework set forth by Governor Brown's Executive Order B-37-16. (Item 17-A)
- ◆ The Board was advised that MWD had declared a "Water Supply Alert". (Item 17-B)
- ◆ The Board received a report on the District's drought and water conservation outreach efforts. (Item 17-C)
- ◆ 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 April 2016 was 26.15% lower than usage in April 2013. (Item 17-D)
- ◆ The Board viewed reports on California's water supply and reservoir conditions as of May 9, 2016. (Item 17-E)

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 Lee noted her attendance at District Board and committee meetings, the PBWA Commission meeting, and the Discovery Science Foundation Tour Event.
- ◆ In addition to District committee and Board meetings, and the TVMWD Board meetings reported, Director Ebenkamp noted his attendance at the PBWA Commission meeting, and Poster Judging.
- ◆ In addition to District committee and Board meetings, and the TVMWD Board meetings previously reported, Director Hilden stated that he attended the Chinese Institute of Engineers annual awards dinner, Poster Judging, and the Diamond Bar Friends of the Library Soiree.
- ◆ In addition to the District committee and Board meetings, and the PBWA meeting previously noted, Director Wu participated in the Poster Judging, and a Walnut City Council meeting.
- ◆ Director Kwong indicated that in addition to attending District committee and Board meetings, she attended the Chinese Institute of Engineers annual awards dinner, WVWD Employee Banquet, and the Diamond Bar City Birthday celebration.

Item 19: Legal Reports

- ◆ Mr. Ciampa informed the Board of the update to the proposed changes to the operating permit fee structure from the California State Water Board.

Item 20: Items for Future Discussion

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

Item 21: Board of Directors Business

- ◆ There were no matters to discuss under Board of Directors Business.

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 – 6:14 p.m.

Item 24: Closed Session – 6:45 p.m.

A. The Board met in closed session in accordance with Government Code [§54956.9(d)(4)] to discuss one anticipated litigation matter with Legal Counsel – Three Potential Cases.

Item 25: Reconvene in Open Session/Report of Action Taken in Closed Session – 6:45 p.m.

A. The Board also met in closed session in accordance with Government Code [§54956.9(d)(4)] to discuss three anticipated litigation matters with Legal Counsel. No reportable action under the Brown Act was taken on these matters.

Adjournment at 6:46 p.m.

Motion No: 16-05-926: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu and unanimously carried (5-0), to adjourn the meeting.

President Kwong indicated Motion No. 16-05-926 was approved by a (5-0) vote