

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

**May 19, 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
Brian Teuber, Director of Finance
Sandra Olson, Director of Administrative Services
Gabriela Sanchez, Executive Secretary
Carmen Fleming, Executive Assistant
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 James Linthicum; Jayson Schmitt of Chandler Asset Management.

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: Recognition of Ms. Sara Rodriguez, Customer Service Manager

- ◆ The Board recognized Ms. Sara Rodriguez, Customer Service Manager, and District staff for their efforts involved in resolving a customer meter-related issue.

Item 7: Consent Calendar

- ◆ The Board was asked to approve the Consent Calendar, including the minutes of the Regular Board meeting held April 21, 2014; minutes of the Special Board meeting held April 24, 2014; the Check Register; and the Local Agency Formation Commission's Fiscal Year 2014-15 Approved Budget.

Motion No. 14-05-625: *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 April 21, 2014, the minutes of Special Board meeting held April 24, 2014, the Check Register, and the Local Agency Formation Commission's FY 2014-2015 approved Budget. (Items 7-A -1, 2, 3, 4)*

President Carrera indicated Motion No. 14-05-625 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.

Motion No. 14-05-626: *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 2014. (Item 8)*

President Carrera indicated Motion No. 14-05-626 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 as of April 30, 2014; the Statement of Net Assets as of April 30, 2014; and the Summary of Cash and Investments as of April 30, 2014. (Items 9-1, 2, 3)

Motion No. 14-05-627: *Upon consideration thereof, it was moved by Director Wu, seconded by Director Ebenkamp and unanimously carried (5-0), to receive and file the District Statement of Revenues, Expenses, and Change in Net Assets as of April 30, 2014; the Statement of Net Assets as of April 30, 2014; and the Summary of Cash and Investments as of April 30, 2014. (Items 9-1, 2, 3)*

President Carrera indicated Motion No. 14-05-627 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.

Item 11: Personnel Committee – Director Ebenkamp

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

Item 12: 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. Mr. Teuber then reviewed the District's Investment Transactions Report for April 2014, following which the Board was asked to receive, accept, and file the report.

Motion No. 14-05-628: Upon consideration thereof, it was moved by Director Wu, seconded by Director Ebenkamp and unanimously carried (5-0), to receive, accept, and file the District's Investment Transactions Report as of April 30, 2014. (Item 12-B)

President Carrera indicated Motion No. 14-5-628 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, no action was needed. (Item 12-C)
- ◆ The Board was asked to schedule a Public Hearing to be held during the June 16, 2014 Board meeting, to receive comments regarding the District's Standby Charge Assessment. (Item 12-D)

Motion No. 14-05-629: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Kwong, and carried (5-0), to schedule a public hearing to be held during the June 16, 2014 meeting to receive and respond to comments regarding the District's Standby Charge Assessment. (Item 12-D)

President Carrera indicated Motion No. 14-05-629 was approved by a 5-0 vote

Item 13: 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 14: TVMWD/MWD – Director Hilden

- ◆ Director Hilden indicated the next TVMWD Board meeting will be held on May 21, 2014. (Item 14)

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

- ◆ Director Kwong reviewed the April 2014 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 received an update on the PBWA Groundwater Resource Project Integrated Regional Water Management (IRWM) Grant Program application. (Item 16)

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 May, June, and July 2014. (Item 17-B)
- ◆ The Board received updates on the District's and California's water supply. (Item 17-C)
- ◆ The Board received verbal updates on the following agenda items:
 - District Proposed Rate Structure
 - The Board was advised that a contract with CV Strategies was executed in the amount of \$60,000 for public outreach consulting services. Board approval to appropriate funds from the General Fund and to authorize the General Manager to select and execute a contract not-to-exceed \$75,000 with a qualified consultant to engage in public outreach was given at the January 23, 2014 Special Board meeting.
 - Recent Public Records Requests
 - General Manager's Upcoming Schedule
 - District Employee Retirements. (Item 17-D)

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.)

- ◆ In addition to the District's Board and committee meetings previously reported, Director Hilden advised of his attendance at Three Valleys MWD Board meetings, a California Water Policy Conference, and a Southern California Water Committee quarterly meeting.
- ◆ In addition to the District Board, committee, and the PBWA meetings previously reported, Director Ebenkamp noted his attendance at a SGV Regional Chamber Governance Affairs Committee meeting, a Three Valleys MWD Board meeting, the Southern California Water Committee quarterly meeting previously reported by Director Hilden, and a meeting with District Executive Staff to discuss proposed rates.
- ◆ In addition to the District Board and committee meetings previously reported, Director Wu advised of his participation in the judging of posters and essays for the 'Water is Life' calendar contest and in the District's High Efficiency Toilet distribution program. In addition, he noted he met with the General Manager on April 8, 2014 to discuss proposed rates. Lastly, Dr. Wu indicated he conducted a water presentation at the Walnut Senior Center and attended the Chinese American Association Annual Event on April 26, 2014.
- ◆ Director Carrera noted her attendance at District Board, committee, and PBWA meetings previously reported.

Item 19: Legal Reports

- ◆ As a matter of information, Mr. Ciampa reported on matters pertaining to the San Diego County Water Authority (SDCWA) v. MWD of Southern California litigation. In addition, he provided an update on the NPDES permit.
- ◆ Mr. Ciampa then noted there would be a brief closed session following the regular business meeting.

Item 20: Items for Future Discussion

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

Item 21: Board of Directors Business

- ◆ The Board received information pertaining to LAFCO's Special District Representative position for the term ending May 2018. President Carrera cast the District's vote, on behalf of the District, for Mr. Jerry Gladbach, Director of Castaic Lake Water Agency and current incumbent. (Item 21-A)
- ◆ The Board was asked to review the General Manager's Fiscal Year 2013-14 Work Plan quarterly update; make recommendations and/or revisions; and receive, accept, and file the Work Plan update. (Item 21-B)

Motion No. 14-05-630: *Upon consideration thereof, it was moved by Director Wu, seconded by Director Ebenkamp and unanimously carried (5-0), to receive and file the quarterly update of the General Manager's FY 2013-14 Work Plan. (Item 21-B)*

President Carrera indicated Motion No. 14-05-630 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 at this time.

Item 23: Adjourn to Closed Session – 6:27p.m.**Item 24: Closed Session – 6:46 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, and
- B. The Board met in closed session in accordance with Government Code [§54956.9(b)(4)] to discuss one potential litigation item with Legal Counsel, and
- C. The Board met in closed session in accordance with Government Code [§54956] to discuss public employee discipline/dismissal/release with Legal Counsel.

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

- A. It was 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.
- B. It was also reported that the Board also met in closed session in accordance with Government Code [§54956.9(b)(4)] to discuss one potential litigation item with Legal Counsel. 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] to discuss public employee discipline/dismissal/release with Legal Counsel. No reportable action under the Brown Act was taken.

Motion No. 14-05-631: *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Ebenkamp and unanimously carried (5-0), to adjourn the meeting.*

President Carrera indicated Motion No. 14-05-631 was approved by a 5-0 vote

Adjournment at 7:11 p.m.