

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

**May 18, 2015
At the Offices of the District**

DIRECTORS PRESENT:

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

DIRECTORS ABSENT:

None

STAFF PRESENT:

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

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.

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: Consent Calendar

- ◆ The Board was asked to approve the Consent Calendar, including the minutes of the Regular Board meeting held April 20, 2015 (as corrected), the minutes of the Special Board meeting held April 23, 2015, the Check Register, and a WVWD Employee Expense Reimbursements Report indicating monthly WVWD employee expense reimbursements exceeding the amount of \$100, and the Local Agency Formation Commission's FY 2015-16 Proposed Budget. (Items 6-1, 2, 3, 4, 5)

Motion No. 15-05-773: 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 April 20, 2015 (as corrected), minutes of the Special Board meeting held April 23, 2015, the Check Register, the WVWD Monthly Employee Expense Reimbursements Report, and the Local Agency Formation Commission Fiscal Year 2015-16 Proposed Budget. (Items 6-1, 2, 3, 4, 5)

President Ebenkamp indicated Motion No. 15-05-773 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. 15-05-774: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Carrera, and unanimously carried (5-0), to receive, approve, and file the Board member expense reports for meeting attendance during the month of April 2015. (Item 7)

President Ebenkamp indicated Motion No. 15-05-774 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 ten-month period ending April 30, 2015, the Statement of Net Assets as of April 30, 2015, and the Summary of Cash and Investments as of April 30, 2015. (Items 8-1, 2, 3)

Motion No. 15-05-775: 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 ten-month period ending April 30, 2015; the Statement of Net Assets as of April 30, 2015; and the Summary of Cash and Investments as of April 30, 2015. (Items 8-1, 2, 3)

President Ebenkamp indicated Motion No. 15-05-775 was approved by a (5-0) vote

Committee Chair Reports

Item 9: Engineering & Special Projects Committee – Director Kwong

- ◆ The Board was asked to adopt a temporary Fiscal Year 2015-16 potable construction water surcharge of \$3.40 per unit used for fiscal year 2015-2016, to be added to the existing construction water charge (effective July 1, 2015), and to authorize staff to add the surcharge to Section III, Appendix A, of the District's Rules and Regulations. (Item 9-A)

Motion No. 15-05-776: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Wu and unanimously carried (5-0), to adopt a temporary Fiscal Year 2015-16 potable construction water surcharge of \$3.40 per unit used for Fiscal year 2015-2016, to be added to the existing construction water charge (effective July 1, 2015), and to authorize staff to add the surcharge to Section III, Appendix A, of the WVWD Rules and Regulations. (Item 9-A)

President Ebenkamp indicated Motion No. 15-05-776 was approved by a (5-0) vote

- ◆ The Board was asked to rescind the labor bid awarded to T.E. Roberts, Inc. (T.E. Roberts) at the November 17, 2014 WVWD Board meeting (WVWD Motion No. 14-11-695) for the SR-60 and Lemon Avenue Interchange (P.N. 13-3310). (Item 9-B)

Motion No. 15-05-777: Upon consideration thereof, it was moved by Director Kwong seconded by Director Hilden and unanimously carried (4-0), with Director Wu recusing himself from the approval due to his employment with Caltrans, to rescind the labor bid awarded to T.E. Roberts, Inc. at the November 17, 2014 WVWD Board meeting for the SR-60 and Lemon Avenue Interchange (P.N. 13-3310). (Item 9 - B)

President Ebenkamp indicated Motion No. 15-05-777 was approved by a (4-0) vote, with one abstention from Director Wu

Item 10: Personnel Committee – Director Hilden

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

Item 11: Finance Committee – Director Wu

- ◆ Mr. Jayson Schmitt of Chandler Asset Management reviewed current economic conditions and provided an update on the firm's investment activities on behalf of the District. (Item 11-A)
- ◆ The Board was then asked to receive, approve, and file the District's Consolidated Investment Transactions Report for April 2015 included in the Board packet. (Item 11-B)

Motion No. 15-05-778: 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, 2015 through April 30, 2015. (Item 11-B)

President Ebenkamp indicated Motion No. 15-05-778 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 11-C)
- ◆ The Board was asked to schedule a Public Hearing to be held during the June 15, 2015, Board meeting to receive comments regarding the District's Standby Charge Assessment. (Item 11-D)

Motion No. 15-05-779: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and unanimously carried (5-0), to schedule a public hearing to be held during the June 15, 2015, Board meeting to receive and respond to comments regarding the District's Standby Charge Assessment. (Item 11-D)

President Ebenkamp indicated Motion No. 15-05-779 was approved by a (5-0) vote

- ◆ The Board was asked to approve changes to the District's Rules and Regulations, specifically to Article 4, sections: 4.03.07.01, 4.03.07.02, 4.03.07.08, 4.03.07.09, 4.04.06.02, 4.04.06.04, 4.04.06.07, 4.04.09.05, and Appendix B, regarding the ten-day delinquent Notice of Termination for residential premises. In light of Assembly Bill 2747, which became effective January 1, 2015, the District is required to provide a ten-day delinquency termination advisement notice to all single-family and multi-family residential premises where the actual water users are not the owners or customers of record of the property in question. The notice must advise the actual users of water service (i.e. occupants other than owner and/or customer of record) that they may become a District customer if the occupants are willing and able to meet the requirements of the District and agree to pay the subsequent charges for water service. In addition, the notice must be provided in six specified languages: English, Spanish, Chinese, Tagalog, Vietnamese, and Korean. (Item 11-E)

Motion No. 15-05-780: Upon consideration thereof, it was moved by Director Wu, seconded by Director Kwong and unanimously carried (5-0), to approve changes to the WVWD Rules and Regulations Article 4, sections: 4.03.07.01, 4.03.07.02, 4.03.07.08, 4.03.07.09, 4.04.06.02, 4.04.06.04, 4.04.06.07,

4.04.09.05, and Appendix B, to implement the ten-day delinquent Notice of Termination for residential premises requirement in accordance with Assembly Bill 2747. (Item 11-E)

President Ebenkamp indicated Motion No. 15-05-780 was approved by a (5-0) vote

- ◆ The Board received a demonstration of the District's Invoice Cloud online customer payment portal. (Item 11-F)

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

- ◆ The Board was asked to ratify support to seek an alternative framework to proposed regulatory revisions to the State Drinking Water Program fees. (Item 12-A)

Motion No. 15-05-781: Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried (5-0), to ratify support to seek an alternative framework to proposed regulatory revisions to the State Drinking Water Program fees. (Item 12-A)

President Ebenkamp indicated Motion No. 15-05-781 was approved by a (5-0) vote

Other Items

Item 13: TVMWD/MWD – Director Hilden

- ◆ The Board received a report on TVMWD/MWD meeting activities by TVMWD Director David De Jesus. (Item 13)

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

- ◆ Director Kwong reviewed the April 2015 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 was asked to ratify PBWA action to approve execution of a Memorandum of Understanding between the Los Angeles County Flood Control District and the Puente Basin Water Agency for the Pomona Basin Regional Groundwater Project Proposition 84, Round 3A, Grant Agreement. (Item 15-A)

Motion No. 15-05-782: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and unanimously carried (5-0), to ratify PBWA approval to execute a Memorandum of Understanding between the Los Angeles County Flood Control District and the Puente Basin Water Agency for the Pomona Basin Regional Groundwater Project Proposition 84, Round 84, Round 3A, Grant Agreement. (Item 15-A)

- ◆ The Board received an update on matters discussed at the May 7, 2015 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 May, June, and July. (Item 16-B)
- ◆ The Board received a report on statewide and local water supply conditions. (Item 16-C)
- ◆ The Board was advised of State Budget revisions. (Item 16-D)
- ◆ The Board received verbal reports on a water system repair involving a bronze saddle replacement, recent meetings with District legislative representatives during the ACWA Spring conference in Sacramento, and the GM Workplan. (Item 16-E)

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 Hilden reported on his attendance at the District's Board and committee meetings and his participation in judging the 'Water is Life' poster entries during the month of April. In addition, he noted his attendance at a TVMWD Board meeting, the City of Diamond Bar's Birthday Celebration, the City of Rowland Heights Community Center grand opening, a Diamond Bar City Council meeting, and the Friends of the Walnut Library Wine Soiree.
- ◆ Director Carrera indicated she attended District committee and Board meetings, and the PBWA Commission meeting previously reported.
- ◆ In addition to the District Board and committee meetings, PBWA commission meeting, and TVMWD meetings previously reported, Director Ebenkamp reported on the SGV Economic Partnership Legislative Reception he attended on April 9th.
- ◆ In addition to District committee and Board meetings previously reported, Director Wu advised of his participation in judging 'Water is Life' essay and poster entries, and his participation in the AWWA Webinar: Solve Plant Hydraulics Questions Using CFD Handouts. In addition, he reported on his attendance at the Rowland Heights Community Center grand opening and Walnut City Council meeting.
- ◆ Direct Kwong did not have any meeting attendance to report on for the month of April.

Item 18: Legal Reports

- ◆ As a matter of information, Mr. Ciampa reported on the Fourth District Court of Appeal ruling pertaining to San Juan Capistrano's 2010 tiered-rate structure. He then noted a closed session would be held following the regular business meeting.

Item 19: Items for Future Discussion

- ◆ A Director request was made for staff to examine the possibility of providing recycled water to cities within District boundaries strictly for the irrigation of landscaped center medians. In addition, in respect to Article 6, Section 6.02.02, of the District Rules and Regulations, a Director request was made for staff to research if a property owner is privileged to tenant water usage and payment history information.

Item 20: Board of Directors Business

- ◆ The Board received an ACWA/JPIA informative notice pertaining to the Spring 2015 Executive Committee Election Results. (Item 20-A)
- ◆ The Board was presented with a draft customer notice announcing the implementation of a Stage 1 Drought Surcharge, effective July 1, 2015, and was asked to contact staff should they have any recommendations and/or revisions. (Item 20-B)

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 – 6:52 p.m.**Item 23: Closed Session – 7:18 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 24: Reconvene in Open Session/Report of Action Taken in Closed Session – 7:20 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. The Board was briefed on the status of the acquisition.
- 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. The Board was briefed on the status of the matter.

Adjournment at 7:21 p.m.

Motion No: 15-05-783: *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu and unanimously carried (5-0), to adjourn the meeting.*

President Ebenkamp indicated Motion No. 15-05-783 was approved by a (5-0) vote