

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

**November 17, 2014
At the Offices of the District**

DIRECTORS PRESENT:

Barbara A. Carrera, President
Theodore L. Ebenkamp
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
Gabriela Sanchez, Executive Secretary
Brian Teuber, Director of Finance
Jose Martinez, Administrative Services Manager
Jim Ciampa, Legal Counsel

The meeting was called to order at 5:00 p.m. with President Carrera presiding.

Guests and others in attendance: Three Valleys Municipal Water District Director Joe Ruzicka; Miss Hannah Chu and family; representatives of Castle Rock Elementary School; Miss Nikki Yip and family; representatives of Maple Hill Elementary School; Dr. Bob Taylor, Superintendent, Walnut Unified School District; and Mr. Jayson Schmitt of Chandler Asset Management.

Item 3: Public Comment –President Carrera

- ◆ There were no requests for public comment.

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: MWD Calendar Contest Award Presentation

- ◆ The Board recognized two of the District’s poster contest winners whose artwork has been selected to appear in the MWD 2015 “Water is Life” calendar. The students, Miss Hannah Chu of Castle Rock Elementary School and Miss Nikki Yip, formerly of Maple Hill Elementary School, were presented with a framed copy of their artwork. Also present to honor them were their parents, grandparents, and school representatives.

Item 7: Consent Calendar

- ◆ The Board was asked to approve the Consent Calendar, including the minutes of the Regular Board meeting held October 20, 2014, minutes of the Special Board meeting held October 23, 2014, the Check Register, and a WVWD Employee Expense Reimbursements Report indicating monthly WVWD employee expense reimbursements exceeding the amount of \$100. (Item 7-1, 2, 3, 4)

Motion No. 14-11-692: *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 October 20, 2014, the minutes of the Special Board meeting held October 23, 2014, the Check Register, and the WVWD Monthly Employee Expense Reimbursements Report. (Items 7-1, 2, 3, 4)*

President Carrera indicated Motion No. 14-11-692 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. 14-11-693: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu, and unanimously carried (5-0), to receive, approve, and file the Board member expense reports for meeting attendance during the month of October 2014. (Item 8)*

President Carrera indicated Motion No. 14-11-693 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 October 31, 2014 the Statement of Net Assets as of October 31, 2014; and the Summary of Cash and Investments as of October 31, 2014. (Items 9-1, 2, 3)

Motion No. 14-11-694: *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 October 31, 2014; the Statement of Net Assets as of October 31, 2014; and the Summary of Cash and Investments as of October 31, 2014. (Items 9-1, 2, 3)

President Carrera indicated Motion No. 14-11-694 was approved by a (5-0) vote

Committee Chair Reports

Item 10: Engineering & Special Projects Committee – Director Kwong

- ◆ The Board was asked to authorize the appropriation of \$116,000 from the General Fund, to authorize the General Manager to execute contracts for labor and materials for the State Route 60 and Lemon Avenue Interchange project (P.N. 13-3310) per the bid results listed below, to authorize the General Manager to execute the Utility Agreement with Caltrans, to find that the project is exempt pursuant to CEQA Guidelines Categorical Exemption Section 15301, and to authorize the filing of a Notice of Exemption for the subject project with the Office of the Los Angeles County Registrar-Recorder/County Clerk. (Item 10-A)

<u>Bid</u>	<u>Supplier</u>	<u>Price</u>	<u>Delivery</u>
Labor	T.E. Roberts, Inc.	\$ 82,200.00	N/A
Ductile Iron Fittings & Misc. Matls.	Western Water Works	\$ 5,546.57	10-15 Days
Resilient Wedge Gate Valves	D'Angelo Co.	\$ 752.10	Stk-2 Days
Ductile Iron Pipe	D'Angelo Co.	\$ 3,510.17	2-4 Days
Steel M.L. & C. Pipe	Inland Water Works	\$ 4,169.03	10-15 Days
Service Materials	Inland Water Works	\$ 897.72	10-15 Days
Saddles, Setters & Jumpers	Western Water Works	\$ 1,004.22	1-2 Days

Motion No. 14-11-695: *Upon consideration thereof, it was moved by Director Kwong, seconded by Director Hilden and carried (4-0), with Director Wu recusing himself from the approval due to his employment with Caltrans, to authorize the appropriation of \$116,000 from the General Fund, to authorize the General Manager to execute contracts for labor and materials for the State Route 60 and Lemon Avenue Interchange Project (P.N. 13-3310) per the bid results listed below, to authorize the General Manager to execute the Utility Agreement with Caltrans, to find that the project is exempt pursuant to CEQA Guidelines Categorical Exemption Section 15301, and to authorize the filing of a Notice of Exemption for the subject project with the Office of the Los Angeles County Registrar-Recorder/County Clerk. (Item 11-A)*

<u>Bid</u>	<u>Supplier</u>	<u>Price</u>	<u>Delivery</u>
Labor	T.E. Roberts, Inc.	\$ 82,200.00	N/A
Ductile Iron Fittings & Misc. Matls.	Western Water Works	\$ 5,546.57	10-15 Days
Resilient Wedge Gate Valves	D'Angelo Co.	\$ 752.10	Stk-2 Days
Ductile Iron Pipe	D'Angelo Co.	\$ 3,510.17	2-4 Days
Steel M.L. & C. Pipe	Inland Water Works	\$ 4,169.03	10-15 Days
Service Materials	Inland Water Works	\$ 897.72	10-15 Days
Saddles, Setters & Jumpers	Western Water Works	\$ 1,004.22	1-2 Days

President Carrera indicated Motion No. 14-11-695 was approved by a (4-0) vote, with one abstention from Director Wu

Item 11: Personnel Committee – Director Ebenkamp

- ◆ Director Ebenkamp noted that the Personnel Committee conducted its annual review of the Board Policies (Item 11-A) and Identity Theft “Red Flag” program (Item 11-C) and made no recommendations for modification of either document. It was noted that no action would be taken on these matters. (Items 11-A, C)
- ◆ The Board was then asked to consider revising the Standing Committee Selection Process to state that newly elected directors shall not serve as chair of a committee during his/her first year in office, unless this provision is waived by the Board of Directors. (Item 11-B)

Motion No. 14-11-696: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Kwong and unanimously carried (5-0), to amend the District’s Standing Committee Selection Process policy to state that newly elected directors shall not serve as chair of a committee during his/her first year in office, unless this provision is waived by the Board of Directors. (Item 11-B)*

President Carrera indicated Motion No. 14-11-696 was approved by a (5-0) vote

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. The Board was then asked to receive, accept and file the report.

Motion No. 14-11-697: *Upon consideration thereof, it was moved by Director Wu, seconded by Director Kwong and unanimously carried (5-0) to receive, accept, and file the District's Investment Activities Report as of October 31, 2014. (Item 12-A)*

President Carrera indicated Motion No. 14-11-697 was approved by a (5-0) vote

- ◆ The Board was asked to receive, approve, and file the District's Investment Transactions Report for October 2014 included in the Board packet. (Item 12-B)

Motion No. 14-11-698: *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 for the month of October 2014. (Item 12-B)*

President Carrera indicated Motion No. 14-11-698 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 on this item. (Item 12-C)
- ◆ The Board was asked to receive, approve, and file the annual Acreage Supply and Reservoir Capacity Charges (Capital Improvement Fees) report. The Board was further informed that the report would be made available for public review upon request. (Item 12-D)

Motion No. 14-11-699: *Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried (5-0), to receive, approve, and file the annual Acreage Supply and Reservoir Capacity (Capital Improvement Fees) report. (Item 12-D)*

President Carrera indicated Motion No. 14-11-699 was approved by a (5-0) vote

- ◆ The Board was asked to declare the fully depreciated office equipment and tools (identified in the list attached to these minutes) as surplus property and authorize disposal of such equipment and tools in accordance with District policy.

Motion No. 14-11-700: *Upon consideration thereof, it was moved by Director Wu, seconded by Director Ebenkamp and unanimously carried (5-0), to declare the fully depreciated office equipment and tools identified in the list attached to these minutes as surplus property and authorize disposal of such surplus property in accordance with District policy. (Item 12-E)*

President Carrera indicated Motion No. 14-11-700 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

- ◆ Mr. Hilden noted that the next TVMWD Board meeting is scheduled for November 19, 2014. (Item 14)

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

- ◆ Director Kwong reviewed the October 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 was asked to ratify the PBWA's action to approve the Puente Basin Water Agency's Operating Budget for Fiscal Year 2014-15. (Item 16-A)

Motion No. 14-11-701: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Kwong and unanimously carried (5-0), to ratify the Puente Basin Water Agency's action to approve the FY 2014-15 Operating Budget. (Item 16-A)*

President Carrera indicated Motion No. 14-11-701 was approved by a (5-0) vote

- ◆ The Board was asked to ratify the PBWA's action to approve and authorize the General Manager to execute the Puente Basin Water Agency's Project Agreement No. 3, Pomona Basin Regional Groundwater Project: Phases 1 and 2 Project. (Item 16-B)

Motion No. 14-11-702: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden and unanimously carried (5-0), to ratify the Puente Basin Water Agency's action to authorize the General Manager to execute the Puente Basin Water Agency's Project Agreement No. 3, Pomona Basin Regional Groundwater Project: Phases 1 and 2 Project. (Item 16-B)*

President Carrera indicated Motion No. 14-11-702 was approved by a (5-0) vote

- ◆ The Board received an update of the Integrated Regional Water Management Grant. (Item 16-C)
- ◆ The Board received an update on matters discussed at the November 6, 2014 PBWA Commission meeting. (Item 16-D)

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 November, December, and January. (Item 17-B)
- ◆ The Board received an update on statewide and local water supply conditions. (Item 17-C)

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 Board and committee meetings previously reported, Director Wu noted his participation in a media interview and a WaterReuse Research Foundation Webcast: Extraction Valuable Materials from Reverse Osmosis. He also attended the Walnut Family Festival and Rowland Heights Buckboard Parade.
- ◆ In addition to the District Board and committee meetings, and the PBWA and TVMWD meetings previously reported, Director Ebenkamp indicated he attended the SGV Economic Partnership 2014 Water Bond forum, a SGV Regional Chamber Government Affairs Committee meeting, a water forum hosted by Senator Huff, a WVWD Landscape class, a TVMWD Leadership Breakfast, and the Annual Public Safety Appreciation luncheon.
- ◆ In addition to the District's Board and committee meetings, and the TVMWD meeting previously reported, Director Hilden advised that he attended the SGV Economic Partnership 2014 Water Bond forum, the City of Diamond Bar's Time Capsule celebration, a TVMWD Leadership Breakfast, a SCWUA lunch meeting, and a Lincoln Club meeting.
- ◆ Director Carrera noted her attendance at District Board and committee meetings, the PBWA meeting previously reported, and the Board-sponsored barbecue.
- ◆ Director Kwong noted that in addition to District Board and committee meetings, and the P-W-R JWL commission meeting previously reported, she participated in a media interview with G&E Television in which water conservation was a topic of discussion. In addition, she attended the Board-sponsored barbecue.

Item 19: Legal Reports

- ◆ Mr. Ciampa provided an update on the NPDES potable water system discharge permit. Following his report, he noted there would be a closed session following the regular business meeting.

Item 20: Items for Future Discussion

- ◆ Request was made for Legal Counsel follow-up regarding disclosure of elected official's water usage.

Item 21: Board of Directors Business

- ◆ The Board was asked to review the General Manager's Fiscal Year 2014-15 Work Plan quarterly update; make recommendations and/or revisions; and receive, accept, and file the Work Plan update. (Item 21-A)

Motion No. 14-11-703: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden and unanimously carried (5-0), to receive, approve, and file the General Manager's Fiscal Year 2014-15 quarterly update. (Item 21-A)*

President Carrera indicated Motion No. 14-11-703 was approved by a (5-0) vote

Item 22: Public Comment on Closed Session

- ◆ Although there were no requests to comment on either open or closed session matters at this time, TVMWD Board of Director Joe Ruzicka noted that his Oath of Office will be administered at the November 19, 2014 TVMWD Board meeting.

Item 23: Adjourn to Closed Session – 6:19 p.m.

Item 24: Closed Session – 6:45 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.
- B. The Board also met in closed session in accordance with Government Code Section [§54957] to conduct the annual performance evaluation for the General Manger.

Item 25: Reconvene in Open Session/Report of Action Taken in Closed Session – 7:08 p.m.

- A. It was reported that 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. No reportable action under the Brown Act was taken on this item.

The Board also met in closed session in accordance with Government Code §54957 to conduct a performance evaluation for the General Manager. That evaluation occurred, and no action reportable under the Brown Act was taken on this item.

- B. Pursuant to discussion and completion of the General Manager's evaluation process, the Board was asked to consider at its discretion and in Open Session a salary or compensation adjustment for the General Manager, to be effective January 1, 2015. Ms. Olson added that the General Manager's contract allows him to join the other employees with the Cost of Living Adjustments (COLA) and salary adjustment. Pursuant to the Terms and Conditions of Employment, a 2% COLA will take effect for all District employees on January 1, 2015, less one percent for spousal medical buyback and the 2% salary adjustment given to District employees on July 1, 2015 as an offset to the CalPERS pension payback paid by all District employees.

Motion No. 14-11-704: *Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried (5-0), to approve a 3% merit increase for the General Manager, which is not inclusive of the 2% Cost of Living Adjustment effective January 1, 2015, less one percent spousal medical buyback, effective January 1, 2015 and the 2% salary adjustment given to District employees on July 1, 2015 as an offset to the CalPERS pension payback paid by all District employees. (Item 25-B)*

President Carrera indicated Motion No. 14-11-704 was approved by a (5-0) vote

Adjournment at 7:21 p.m.

Motion No. 14-11-705: *Upon consideration thereof, it was moved by Director Kwong, seconded by Director Hilden and unanimously carried (5-0), to adjourn the meeting.*

President Carrera indicated Motion No. 14-11-705 was approved by a (5-0) vote