

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

**November 16, 2015  
At the Offices of the District**

**DIRECTORS PRESENT:**

Theodore L. Ebenkamp, President  
Barbara A. Carrera (departed at approximately 5:45 p.m.)  
Edwin Hilden  
Allen Wu (arrived at 5:35 p.m.)

**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:**

Scarlett Kwong

The meeting was called to order at 5:15 p.m. with President Ebenkamp presiding.

Guests and others in attendance: Three Valleys Municipal Water District Director Joe Ruzicka and Mr. James Linthicum; Mr. Jayson Schmitt of Chandler Asset Management; Dr. Robert P. Taylor, Mr. Wayland Wang, Mr. Robert La Bella, Mr. Vince Lam, Mr. Jason Cho, Mr. Andrew Huang, Ms. Sophie Huang, and Ms. Carolyn Willis.

**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: MWD Calendar Contest Award Presentation**

- ◆ The Board recognized the District’s poster contest winner, Mr. Andrew Huang, whose artwork has been selected to appear in the MWD 2016 “Water is Life” calendar. Mr. Huang, student of Evergreen Elementary School, was presented with a framed copy of this artwork. Also present to honor him were his mother, sibling, and school representatives.
- ◆ After the award presentation the Board adjourned for a 10 minute break.

(Director Wu arrived at 5:35 p.m.)

- ◆ The Board reconvened at 5:35 p.m.

**Item 7: Filling of Board Vacancy**

A. Director Carrera informed the Board that she has moved her residence to a location outside of the District’s service area and is therefore no longer eligible to serve on the District’s Board of Directors. The Board was asked to determine the process by which to fill the vacancy created by her relocation from WVWD Division III. Legal Counsel provided the Board with an outline of the required procedures under Government Code §1780 that must be followed to fill this vacancy. (Item 7-A78)

***Motion No. 15-11-845: Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried (3-0), to fill the vacancy of WVWD Division III by appointment in accordance with Government Code § 1780 and California Water Code § 34707 and 34707.5; and to follow the outline of required procedures in accordance with Government Code §1780 and the timeline provided by the District’s General Manager, as distributed at the meeting. (Item 7-A)***

**President Ebenkamp indicated Motion No. 15-11-845 was approved by a (3-0) vote**

Former Director Carrera then departed the meeting, at approximately 5:45 p.m.

**Item 8: Consent Calendar**

- ◆ The Board was asked to approve the Consent Calendar, including the minutes of the regular Board meeting held October 19, 2015, the check register, and the WVWD Employee Expense Reimbursements Report indicating monthly WVWD employee expense reimbursements exceeding the amount of \$100.

***Motion No. 15-11-846: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu and unanimously carried (3-0), to receive, approve, and file the Consent Calendar including minutes of the regular Board meeting held October 19, 2015, the Check Register, and a WVWD Employee Expense Reimbursements Report indicating monthly WVWD employee expense reimbursements exceeding the amount of \$100. (Items 8-1, 2, 3)***

**President Ebenkamp indicated Motion No. 15-11-846 was approved by a (3-0) vote**

**Item 9: 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 October 2015. (Item 9)

**Motion No. 15-11-847:** *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu, and unanimously carried (3-0), to receive, approve, and file the Board member expense reports for meeting attendance during the month of October 2015. (Item 9)*

**President Ebenkamp indicated Motion No. 15-11-847 was approved by a (3-0) vote**

**Item 10: Treasurer's Report**

- ◆ Mr. Teuber reviewed the District Statement of Revenues, Expenses, and Change in Net Assets as of October 31, 2015; the District Statement of Net Assets as of October 31, 2015; and the Summary of Cash Investments as of October 31, 2015. (Items 10-1,2,3)

**Motion No. 15-11-848:** *Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried (3-0), to receive and file the District Statement of Revenues, Expenses, and Change in Net Assets as of October 31, 2015; the Statement of Net Assets as of October 31, 2015; and the Summary of Cash and Investments as of October 31, 2015. (Items 10-1, 2, 3)*

**President Ebenkamp indicated Motion No. 15-11-848 was approved by a (3-0) vote**

**Committee Chair Reports****Item 11: Engineering & Special Projects Committee – Director Ebenkamp**

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

**Item 12: Personnel Committee – Director Hilden**

- ◆ The Board conducted its annual review of the “Board Policies for Ethical Conduct Regarding Board of Directors Compensation and Expenses” and the exhibits associated with the policy: Exhibit A – Meeting and Expenses Report Form; Exhibit C – Guidelines for Board Compensated Meetings and Activities; and Exhibit F – Meal Expense Reimbursement Schedule/Guidelines. Proposed modifications to the policy and Exhibit F were recommended by staff and Legal Counsel. Following Ms. Olson’s detailed review of the proposed modifications, the Board was asked to approve the policy and its associated exhibits as presented. (Item 12-A)

**Motion No. 15-11-849:** *Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden, and unanimously carried (3-0), to approve the proposed changes, as presented, to the “Policies for Ethical Conduct Regarding Board of Directors Compensation and Expenses” and the exhibits associated with the policy, which are: Exhibit A - Meeting and Expense Report Form; Exhibit C - Guidelines for Board Compensated Meetings and Activities; and Exhibit F - Meal Expense Reimbursement Schedule/Guideline; and that these changes take effect January 1, 2016. (Item 12-A)*

**President Ebenkamp indicated Motion No. 15-11-849 was approved by a (3-0) vote**

- ◆ The Board was asked to consider revising the Standing Committee Selection Process to state that the Board President may appoint Board members to committees on an as-needed basis. Discussion ensued regarding further clarification to the proposed modification. It was then agreed to incorporate language to clarify the means by which the Board President will communicate and confirm the appointment. (Item 12-B)

**Motion No. 15-11-850:** *Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden, and unanimously carried (3-0), to approve the District's Standing Committee Selection Process Policy as corrected. (Item 12-B)*

**President Ebenkamp indicated Motion No. 15-11-850 was approved by a (3-0) vote**

- ◆ The Board was asked to review and consider approval of proposed organizational changes which include the creation of an ‘incentive’ Field Supervisor position, revision to the salary range of the General Services Supervisor position to equal that of other Operations supervisor positions, and the move of the current vacant Field Services position to the Production Department. In addition, they were asked to approve the revised draft Interim Organizational Chart and Salary Chart for Fiscal Year 2015-16, and asked to authorize staff to fill the vacant Pump Operator position in January 2016. (Item 12-C)

**Motion No. 15-11-851:** *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu, and unanimously carried (3-0), to create an incentive Field Supervisor position, revise the salary range of the General Services Supervisor position to equal that of other operations supervisor positions, move the current vacant Field Services position to the Production Department, adopt the revised draft Interim Organizational Chart and Salary Chart for Fiscal Year 2015-16, and to authorize staff to fill the vacant Pump Operator position in January 2016. (Item 12-C)*

**President Ebenkamp indicated Motion No. 15-11-851 was approved by a (3-0) vote**

**Item 13: Finance Committee – Director Wu**

- ◆ Mr. Jayson Schmitt, of Chandler Asset Management, conducted a quarterly presentation on the current economic climate and on the firm's investment activities on behalf of the District. (Item 13-A)

**Motion No. 15-11-852:** *Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried (3-0), to receive and file the District's Investment Report for period ending October 31, 2015. (Item 13-A)*

**President Ebenkamp indicated Motion No. 15-11-852 was approved by a (3-0) vote**

- ◆ The Board then was asked to receive, approve, and file the District's Consolidated Investment Transactions Report for October 2015 included in the Board packet. (Item 13-B)

**Motion No. 15-11-853:** *Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried (3-0), to receive, approve, and file the District's Consolidated Investment Transactions Report for the period of October 1, 2015 through October 31, 2015. (Item 13-B)*

**President Ebenkamp indicated Motion No. 15-11-853 was approved by a (3-0) vote**

- ◆ Mr. Teuber reviewed the Revenue Bond Funds Held in Trust and detailed disbursement of bond proceeds reports for October 2015. As this was an informational item only, Board action was not taken on this item. (Item 13-C)
- ◆ The Board was asked to receive, approve, and file the annual Acreage Supply and Reservoir Capacity Charges (Capital Improvement Fees) report and was further informed that the report will be made available for public review upon request. (Item 13-D)

**Motion No. 15-11-854:** *Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried (3-0), to receive, approve, and file the annual Acreage Supply and Reservoir Capacity Charges (Capitol Improvement Fees) report. (Item 13-D)*

**President Ebenkamp indicated Motion No. 15-11-854 was approved by a (3-0) vote**

- ◆ The Board was asked to approve adjustments to the District's wholesale potable water rate for water delivered through the Badillo-Grand transmission main. (Item 13-E)

**Motion No. 15-11-855:** *Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried (3-0), to set the Monthly Base Rate for a 20-inch meter at \$16,360, effective January 1, 2016 through December 31, 2016; and to set the Potable Water Wholesale Commodity Rate for Tier I at \$934 per acre foot and for Tier II at \$1,068 per acre foot for water delivered through the Badillo-Grand Transmission Main, effective January 1, 2016 through December 31, 2016. (Item 13-E)*

**President Ebenkamp indicated Motion No. 15-11-855 was approved by a (3-0) vote**

**Item 14: 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 15: TVMWD/MWD – Director Hilden**

- ◆ Director Hilden referred to the TVMWD Action Line Report included in the Board packet as he highlighted Board meeting activities. He then noted the next meeting is scheduled for Wednesday, November 18, 2015. (Item 15)

**Item 16: The P-W-R Joint Water Line Commission – Erik Hitchman**

- ◆ Mr. Hitchman reviewed the P-W-R Joint Water Line Commission water use report included in the Board packet. (Item 16)

**Item 17: Puente Basin Water Agency –Director Ebenkamp**

- ◆ The Board received an update on matters discussed at November 6, 2015, PBWA Commission meeting. (Item 17)

**Item 18: General Manager's Report**

- ◆ The Board received a follow-up report on prior Board actions. (Item 18-A)
- ◆ The General Manager reviewed the District's activities calendars for the remainder of November and December 2015, and January 2016. (Item 18-B)
- ◆ Staff advised the Board of their participation in an ACWA webinar, conducted on November 10, on potential revisions to Proposition 218. (Item 18-C)
- ◆ Staff noted the upcoming February 29-March 9, 2016, MWD Weymouth Treatment Plant Shutdown. (Item 18-D)
- ◆ The Board was informed of two recent public records requests. (Item 18-E)

**Item 19: Water Supply and Drought**

- ◆ The Board received a report on the District's drought and water conservation outreach efforts. (Item 19-A)
- ◆ 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, 2014-15 climate summary, and 2015 monthly water consumption versus the 2013 baseline year. Staff made note that the District's water usage for October 2015 was 22.99% lower than usage in October 2013. (Item 19-B)
- ◆ The Board viewed reports on California's water supply and reservoir conditions as of November 8, 2015. (Item 19-C)
- ◆ The Board was provided with a PWAG-drafted summary of topics discussed at the SWRCB-hosted October 26, 2015, meeting held to discuss proposed changes to the 2016 drought regulations. (Item 19-D)

**Item 20: 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 noted, in addition to District WVWD committee and Board, and TVMWD Board meetings that were previously reported, he attended a Legislative Breakfast Update Meeting hosted by Senator Huff, an ACWA Regulatory Summit, a Lincoln Club meeting, and a SCWUA lunch meeting.
- ◆ Director Wu advised that he attended the Walnut Family Festival and the Rowland Heights Buckboard Parade, in addition to meeting with the General Manager on October 2, 2015 and the District committee and Board meetings previously reported.
- ◆ In addition to District the committee and Board meetings, the PBWA Commission meeting, and the TVMWD Board meeting previously reported, President Ebenkamp attended a Regional Government Affairs Committee meeting, and a SCWUA lunch meeting.
- ◆ Although Director Kwong was not present to report on her meeting activities for the month of October, her expense report noted her attendance at a District workshop and the AWWA CA-NV Fall conference in Las Vegas.
- ◆ Although Ms. Carrera was not present to report on her meeting activities for the month of October, her expense report noted her attendance at WVWD Board and Committee meetings, and the PBWA and P-W-R Joint Water Line commission meetings.

**Item 21: Legal Reports**

- ◆ Mr. Ciampa noted a closed session would follow the regular business meeting.

**Item 22: Items for Future Discussion**

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

**Item 23: Board of Directors Business**

- ◆ The Board was advised that the current term of office for Divisions 1, 4, and 5 expire December 4, 2015, and the new four-year term of office will begin at noon on the same day. Accordingly, the Oath of Office may be administered any time after commencement of the new term. (Item 23-A)
- ◆ The Board was asked to consider presenting a District tile to Diamond Bar City Council Member Jack Tanaka on the occasion of his upcoming retirement from public service. (Item 23-B)

***Motion No. 15-11-856: Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden, and unanimously carried (3-0), to approve presenting a District tile to Diamond Bar City Council Member Jack Tanaka. (Item 23-B)***

**President Ebenkamp indicated Motion No. 15-11-856 was approved by a (3-0) vote**

- ◆ The Board reviewed and discussed the District's voting options for the upcoming election of the ACWA officers. Consensus was given to designate Director Allen Wu as the District's voting delegate and to consider casting the District's vote for Ms. Kathleen Tiegs. (Item 23-C)
- ◆ The Board was asked to review the General Manager's Fiscal Year 2015-16 Work Plan quarterly update; make recommendations and/or revisions; and received, accept, and file the Work Plan Update. (Item 23-D)

***Motion No. 15-11-857: 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 2015-16 quarterly update. (Item 23-D)***

**President Ebenkamp indicated Motion No. 15-11-857 was approved by a (3-0) vote**

**Item 24: Public Comment on Closed Session**

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

**Item 25: Adjourn to Closed Session – 7:10 p.m.****Item 26: Closed Session – 7:29 p.m.**

- A. The Board met in closed session in accordance with Government Code [§54957] to discuss public employee discipline/dismissal/release with Legal Counsel.
- B. The Board met in closed session in accordance with Government Code [§54956.9(d)(4)] to discuss one anticipated litigation matter with Legal Counsel.
- C. The Board met in Closed Session in accordance with Government Code [§54957] to conduct the annual performance evaluation for the General Manager.

**Item 27: Reconvene in Open Session/Report of Action Taken in Closed Session – 7:59 p.m.**

- A. It was reported that the Board met in closed session in accordance with Government Code [§54957] to discuss public employee discipline/dismissal/release with Legal Counsel. No reportable action under the Brown Act was taken.

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 matter.

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, 2016. Ms. Olson added that the General Manager's contract allows him to join the other employees with their approved Cost of Living Adjustments (COLA) and other salary adjustments. Pursuant to the Terms and Conditions of Employment, a 2% COLA will take effect for all District employees on January 1, 2016, less one percent for retiree medical buyback, and a 2% salary adjustment in July 2016 and 2% reduction for PERS pension costs.

Discussion was then held regarding the General Manager's request to extend his employment contract to December 31, 2017. Legal Counsel noted that consideration of and any possible action on extending the General Manager's contract needs to be delayed until it can be agendaized for consideration and possible action at the Board's December meeting, as that specific issue was not agendaized for this meeting.

***Motion No. 15-11-858: Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried (3-0), to authorize the General Manger to receive all salary adjustments given to all other District employees as stipulated in the Terms and Conditions of Employment, which inclusive of the 2% Cost of Living Adjustment effective January 1, 2016, less one percent retiree medical buyback, effective January 1, 2016, and the 2% salary adjustment in July 2016 minus the 2% payment for PERS pension costs.***

**President Ebenkamp indicated Motion No. 15-11-858 was approved by a (3-0) vote**

**Adjournment at 8:06 p.m.**