

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

**October 20, 2014
At the Offices of the District**

DIRECTORS PRESENT:

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

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
Jim Ciampa, Legal Counsel

DIRECTORS ABSENT:

None

The meeting was called to order at 5:01 p.m. with President Carrera presiding.

Guests and others in attendance: Three Valleys Municipal Water District Director Joe Ruzicka

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: Consent Calendar

- ◆ The Board was asked to approve the Consent Calendar, including the minutes of the Regular Board meeting held September 15, 2014, minutes of the Special Board meeting held September 18, 2014, the Check Register, and a WVWD Employee Expense Reimbursements Report indicating monthly WVWD employee expense reimbursements exceeding the amount of \$100. (Item 6-1, 2, 3, 4)

Motion No. 14-10-681: 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 minutes of the Regular Board meeting held September 15, 2014, the minutes of the Special Board meeting held September 18, 2014, the Check Register, and the WVWD Monthly Employee Expense Reimbursements Report. (Items 6-1, 2, 3, 4)

President Carrera indicated Motion No. 14-10-681 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. 14-10-682: 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 September 2014. (Item 7)

President Carrera indicated Motion No. 14-10-682 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 Fiscal Year-End June 30, 2014; the Statement of Net Assets as of Fiscal Year-End June 30, 2014; the District Statement of Revenues, Expenses, and Change in Net Assets as of September 30, 2014; the Statement of Net Assets as of September 30, 2014; and the Summary of Cash and Investments as of September 30, 2014. (Items 8-1, 2, 3, 4, 5)

Motion No. 14-10-683: 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 Fiscal Year-End June 30, 2014; the Statement of Net Assets as of Fiscal Year-End June 30, 2014; the District Statement of Revenues, Expenses, and Change in Net Assets as of September 30, 2014; the Statement of Net Assets as of September 30, 2014; and the Summary of Cash and Investments as of September 30, 2014. (Items 8-1, 2, 3, 4, 5)

President Carrera indicated Motion No. 14-10-683 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 Joint Tax Resolution between the Walnut Valley Water District, Los Angeles County, City of Walnut, and the Three Valleys Municipal Water District, approving and accepting the negotiated exchange of property tax revenues resulting from the annexation of Tract No. 50867 to the Walnut Valley Water District (Annexation No. 2012-19). (Item 9-A)

Motion No. 14-10-684: *Upon consideration thereof, it was moved by Director Kwong, seconded by Director Wu and unanimously carried (5-0) by the roll call vote noted below, to adopt a Joint Tax Resolution between the Walnut Valley Water District, Los Angeles County, City of Walnut, and the Three Valleys Municipal Water District, approving and accepting the negotiated exchange of property tax revenue resulting from the annexation of Tract No. 50867 to the Walnut Valley Water District (Annexation No. 2012-19). (Item 9-A)*

Ayes: Carrera, Ebenkamp, Hilden, Kwong, Wu
 No: None
 Absent: None

Motion Passed (5-0)

President Carrera indicated Motion No. 14-10-684 was approved by a (5-0) roll call vote, with Directors Carrera, Ebenkamp, Hilden, Kwong, and Wu voting “yes”

- ◆ The Board acknowledged the extension of the Generator Interconnection Agreement (GIA) with Southern California Edison Company (SCE). Staff advised that due to the approaching termination date, the General Manager needed to sign the GIA prior to the October 17, 2014 termination date of the original Generator Agreement. No further action was taken by the Board on this matter. (Item 9-B)
- ◆ The Board was asked to accept the work as installed for completion of the Recycled Well No. 5 – Equipping project (P.N. 09-3135) and to authorize the filing of a Notice of Completion for the subject project with the Los Angeles County Registrar-Recorder/County Clerk. (Item 9-C)

Motion No. 14-10-685: *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Kwong and unanimously carried (5-0), to accept the work as installed for the Recycled Well No. 5 – Equipping Project (P.N. 09-3135), and to authorize the filing of a Notice of Completion with the Los Angeles County Registrar-Recorder/County Clerk. (Item 9-C)*

President Carrera indicated Motion No. 14-10-685 was approved by a (5-0) vote

Item 10: Personnel Committee – Director Ebenkamp

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

Item 11: Finance Committee – Director Wu

- ◆ The Board was asked to receive, approve, and file the District’s Investment Transactions Report for September 2014 included in the Board packet. (Item 11-A)

Motion No. 14-10-686: *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 Transactions Report for the month of September 2014. (Item 11-A)*

President Carrera indicated Motion No. 14-10-686 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. After which, the Board was asked to receive and file that report. (Item 11-B)

Motion No. 14-10-687: *Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried (5-0), to receive and file the monthly Revenue Bonds Held in Trust report. (Item 11-B)*

President Carrera indicated Motion No. 14-10-687 was approved by a (5-0) vote

- ◆ The Board was asked to approve the revised Investment Guidelines Document related to the District’s Post-Retirement Health Care Plan Trust (OPEB Trust) and to authorize the General Manager to execute the Investment Guidelines Document. Mr. Teuber pointed out the two changes made to the document. The first being a change to the trustee bank representative and the second being an increase to the target rate of return to 7% to more closely reflect the expected long range rate of return on the investment strategy selected by the District. (Item 11-C)

Motion No. 14-10-688: *Upon consideration thereof, it was moved by Director Wu, seconded by Director Ebenkamp and unanimously carried (5-0), to approve the revised Investment Guidelines Document related to the District's Post-Retirement Health Care Plan Trust (OPEB Trust) and to authorize the General Manager to execute the Investment Guidelines Document. (Item 11-C)*

President Carrera indicated Motion No. 14-10-688 was approved by a (5-0) vote

Item 12: 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 13: TVMWD/MWD – Director Hilden

- ◆ Mr. Hilden briefly reviewed the TVMWD 'Action Line' reports included in the Board packet. (Item 13)

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

- ◆ Director Kwong reviewed the September 2014 P-W-R Joint Water Line Commission water use report included in the Board packet and noted the most recent meeting was held October 16, 2014. (Item 14)
- ◆ The Board was then asked to receive and file the Pomona-Walnut-Rowland Joint Water Line 2013-14 final audit.

Motion No. 14-10-689: *Upon consideration thereof, it was moved by Director Kwong, seconded by Director Hilden and unanimously carried (5-0), to receive and file the Pomona-Walnut-Rowland Joint Water Line 2013-14 Final Audit. (Item 14)*

President Carrera indicated Motion No. 14-10-689 was approved by a (5-0) vote

Item 15: Puente Basin Water Agency – Director Ebenkamp

- ◆ The Board received an update on matters discussed at the October 9, 2014 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 General Manager reviewed the District's activities calendars for October, November, and December 2014. (Item 16-B)
- ◆ The Board received an update on statewide and local water supply conditions. (Item 16-C)
- ◆ As an update to the Board's September 15, 2014 motion to approve a District resolution in support of CA Proposition 1 in the November statewide election, the General Manager advised that a certified copy of approved resolution was forwarded to ACWA for their record. (Item 16-D)

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.)

- ◆ In addition to the District Board and committee meetings previously reported, Director Wu noted his participation in a media interview with Channel 1300 KAZN AM (real-time broadcasting) in which water conservation was a point of discussion. During the month of September, he also attended an event for the San Gabriel Valley Economic Association, and the Cities of Diamond Bar and Walnut 'Day at the L.A. County Fair' events.
- ◆ In addition to the District Board and committee meetings, the PBWA and TVMWD meetings previously reported, Director Ebenkamp noted his attendance at a San Gabriel Valley Regional Chamber Government Affairs Committee meeting.
- ◆ In addition to the District Board and committee meetings, and the TVMWD meeting previously reported, Director Hilden noted his attendance at the California Special District Association Conference in Palm Springs.
- ◆ Director Carrera noted her attendance at District Board and committee meetings, and the PBWA meeting previously reported.
- ◆ Director Kwong reported her attendance at the District's Special Board meeting held September 18, 2014.

Item 18: Legal Reports

- ◆ Mr. Ciampa provided information related to the Central Basin's current water levels and the draft Safe Drinking Water Plan for California. He then noted a closed session would follow the regular business meeting.

Item 19: Items for Future Discussion

- ◆ There were no requests for future items of discussion

Item 20: Board of Directors Business

- ◆ There were no Board of Directors Business to come before the Board at this time.

Item 21: Public Comment on Closed Session

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

Item 22: Adjourn to Closed Session – 5:46 p.m.**Item 23: Closed Session – 6:11 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.

Item 24: Reconvene in Open Session/Report of Action Taken in Closed Session – 6:15 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.

Adjournment at 6:15 p.m.

Motion No. 14-10-690: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden and unanimously carried (5-0), to adjourn the meeting.*

President Carrera indicated Motion No. 14-10-690 was approved by a (5-0) vote