

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

**December 12, 2013  
At the Offices of the District**

**DIRECTORS PRESENT:**

Edwin Hilden, President  
Barbara A. Carrera  
Theodore L. Ebenkamp  
Scarlett P. Kwong  
Allen L. Wu (Arrived at 5:15 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  
Carmen Fleming, Executive Assistant  
Timothy Gosney, Legal Counsel

**DIRECTORS ABSENT:**

None

The meeting was called to order at 5:11 p.m. with President Hilden presiding.

Guests and others in attendance: Director Joe Ruzicka and Mr. James Linthicum of TVMWD.

**Item 3: Public Comment –President Hilden**

- ◆ There were no requests.

**Item 4: Additions to the Agenda –President Hilden**

- ◆ There were no requests.

**Item 5: Reorder of Agenda –President Hilden**

- ◆ There were no requests.

**Item 6: Oath of Office**

- ◆ The District's Legal Counsel, Mr. Timothy Gosney, administered the Oath of Office to Director Edwin M. Hilden and Director Barbara A. Carrera.

**Item 7: Consent Calendar**

- ◆ The Board was asked to approve the Consent Calendar, including the minutes of the Regular Board meeting held November 18, 2013 and Special Board meeting held November 22, 2013; the Community Relations/Website Activities Report; the Operations Report; and the 2014 Key Conference and Events schedule.

**Motion No. 13-12-567:** *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and carried (5-0), to receive, approve, and file the Consent Calendar, including minutes of the Regular Board meeting held November 18, 2013 and Special Board meeting held November 22, 2013; the Community Relations/Website Activities Report; the Operations Report; and the 2014 Key Conference and Events schedule. (Items 7-A -1, 2, 3, 4, 5)*

**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. 13-12-568:** *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and carried (5-0), to receive, approve, and file the Board member expense reports for meeting attendance during the month of November 2013. (Item 8)*

**Item 9: Treasurer's Report**

- ◆ Mr. Teuber advised that due to the date of the meeting, financial statements for the month ending November 30, 2013 will be presented at the January 2014 Board meeting.

**Committee Chair Reports**

**Item 10: Engineering & Special Projects Committee – Director Ebenkamp**

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

**Item 11: Personnel Committee – Director Hilden**

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

**Item 12: Finance Committee – Director Wu**

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

**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 Ebenkamp

- ◆ The Board received the report on TVMWD Board meeting activities.

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

- ◆ The Board was informed that due to the date of the meeting, the P-W-R Joint Water Line Commission Water Use Report for November 2013 will be presented at the January 2014 Board meeting. It was noted that the next P-W-R JWL Commission meeting will be held on February 20, 2014.

#### Item 16: Puente Basin Water Agency –Director Carrera

- ◆ The Board was informed that the next PBWA Commission meeting is scheduled for December 17, 2013.

#### Item 17: General Manager Report

- ◆ The Board was advised that approval of the District's Cash Reserve Policy will be agendized for the January 2014 Board meeting.
- ◆ The Board received an update on ACWA/JPIA 2014 Fall Conference meeting activities.
- ◆ The Board received a follow-up report on prior Board actions.
- ◆ The General Manager reviewed the District's activities calendars for December 2013, and January and February 2014.

#### 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.)

- ◆ Director Kwong noted her attendance at District Committee and Board meetings, and the Board-sponsored barbecue held on November 6, 2013.
- ◆ In addition to the District Board, committee, and PBWA meetings, Director Ebenkamp noted his attendance at Three Valleys MWD Board meetings and Supervisor Don Knabe's Public Safety Appreciation Luncheon.
- ◆ In addition to the District Board and committee meetings, Director Wu noted his attendance at a Business Legislative Breakfast and a Diamond Bar City Council meeting. Also, he participated in an AWWA webinar 'Complying with Pb-Free and the Road Ahead for LCR,' and a news media outreach meeting regarding water pressure matters. Director Wu further advised of his attendance at the ACWA/JPIA Fall Conference, December 4-6, 2013.
- ◆ Director Carrera noted her attendance at District Board and committee meetings, and a PBWA meeting.
- ◆ In addition to District committee and Board meetings, Director Hilden noted his attendance at a TVMWD Board meeting and the annual Diamond Bar Community Foundation Gala Extravaganza.

#### Item 19: Legal Reports

- ◆ Mr. Gosney noted there would be a closed session following the regular business meeting.

#### Item 20: Items for Future Discussion

- ◆ There were no requests for items for future discussion at this time.

#### Item 21: Board of Directors Business

- ◆ The Board was asked to receive, approve, and file the December check register. (Item 21-A)

***Motion No. 13-12-569: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Ebenkamp and carried (5-0), to receive, approve, and file the December Check Register. (Item 21-A)***

- ◆ The Board was asked to receive, approve, and file the Investment Transactions Report for Month Ending November 30, 2013. (Item 21-B)

***Motion No. 13-12-570: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Ebenkamp and carried (5-0), to receive, approve, and file the December Check Register. (Item 21-B)***

- ◆ The Board was asked to consider approval of a two-year contract extension to the General Manager Manager's employment contract (which would then expire on December 31, 2016), to direct Legal Counsel to prepare a contract amendment to reflect all Board actions, including compensation adjustment, and to authorize the Board President to execute the completed contract amendment. (Item 21-C)

***Motion No. 13-12-571: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and carried (5-0), to approve a two-year term extension to the General Manager's employment contract, expiring on December 31, 2016, to direct Legal Counsel to prepare a contract***

**amendment to reflect all Board actions including compensation adjustment, and to authorize the Board President to execute the completed contract amendment. (Item 21-C)**

- ◆ The Board was asked to authorize the General Manager to execute an agreement with DSK Landscape Architects, based on the lump sum fee proposal for the completion of the construction drawings and specifications, and construction administration for the District Administrative Headquarters Facility Project (P.N. 08-3082) in the amount of \$58,800. (Item 21-D)

**Motion No. 13-12-572: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and carried (5-0), to authorize the General Manager to execute an agreement with DSK Landscape Architects, based on the lump sum fee proposal for the completion of the construction drawings and specifications, and construction administration for the District Administration Headquarters Facility Project (P.N. 08-3082) in the amount of \$58,800. (Item 21-D)**

- ◆ The Board provided the General Manager direction to execute a restated agreement with Henry Woo Architects, based on the revised lump sum fee proposal for the completion of the construction drawings and specifications for the District Administration Headquarters Facility Project (P.N. 08-3082) in the amount of \$548,937, including the revised scope-of-work and schedule. (Item 21-E)
- ◆ The Board was asked to advise President Hilden regarding the District's vote for candidate to fill the LAFCO Special District Alternate Representative position for the term ending May 2014. Director Joe Ruzicka of TVMWD took a moment to address the Board regarding his candidacy for a seat on the LAFCO Board and to request District support when casting its vote. The Board expressed support for Mr. Ruzicka and advised President Hilden of their choice. (Item 21-F)
- ◆ The Board was informed that the District's ACWA dues and assessments for calendar year 2014 are \$19,267, which is within the amount approved in the FY 2013-14 budget. As this was an informational item only, no Board action was taken. (Item 21-G)
- ◆ The Board was informed that per IRS Notice 2013-71 (dated October 31, 2013), Flexible Spending Account (FSA) Plan Sponsors may allow a carryover of up to \$500 each calendar year from a participants FSA balance. The Board was then asked to approve an amendment to the District's Flexible Spending Account (FSA) program, to allow the District to carryover up to \$500 each calendar year from the participants' FSA balance, and to delete the 2 ½ month grace period given at the end of each plan year. (Item 21-H)

**Motion No. 13-12-573: Upon consideration thereof, it was moved by Director Carrera, seconded by Director Ebenkamp and unanimously carried (5-0), to approve an amendment to the District's Flexible Spending Account (FSA) plan to delete the annual 2 ½ month extension provision, and to allow the annual carryover of up to \$500 of the participants unused FSA contributions each year. (Item 21-H)**

## **Item 22: Annual Board Reorganization**

- ◆ Officers were rotated in accordance with the "Board Reorganization Rotation Policy" as follows:  
Barbara A. Carrera, President  
Theodore L. Ebenkamp, First Vice President  
Scarlett P. Kwong, Second Vice President  
Allen L. Wu, Assistant Treasurer  
Edwin M. Hilden, Director

(Item 22-A)

- ◆ It was determined that Board appointments to the offices of Secretary, Assistant Secretary, Treasurer and Second Assistant Treasurer would remain the same: Mr. Mike Holmes, Secretary; Ms. Gabriela Sanchez, Assistant Secretary; Mr. Brian Teuber, Treasurer; Mr. Erik Hitchman, Second Assistant Treasurer. (Item 22-B)

**Motion No. 13-12-574: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Ebenkamp and unanimously carried (5-0), that the Board appointment positions remain as follows: Michael K. Holmes, District Secretary; Gabriela Sanchez, Assistant Secretary; Brian Teuber, Treasurer; Erik Hitchman, Second Assistant Treasurer. (Item 22-B)**

- ◆ Standing Committee positions were selected on a "chain of command" basis in accordance with the "Standing Committee Selection Process," with the first choice going to the president, second choice to the first vice president, third choice to the second vice president, and so on down the line, repeating in the same order, until all positions were filled as follows (Item 22-C):

Committee	Chair	Member	Alternate
Engineering	Director Kwong	Director Hilden	Director Wu
Finance	Director Wu	Director Kwong	Director Carrera
Personnel	Director Ebenkamp	Director Carrera	Director Hilden
Public Info/Legislative	Director Ebenkamp	Director Carrera	Director Wu

**Item 23: Ad hoc Committee and Commission/Agency Assignments**

- A. The Board was provided with the District's Ad hoc Committee and Commission/Agency Assignments 2013 roster. Upon brief discussion regarding appointment of Ad hoc Committee and Commission/Agency assignments, Board consensus was given to President Carrera to approve the reappointment of the current slate (CY 2013) of Ad hoc committee and commission/agency assignments for CY 2014. (Item 23)

**Item 24: 2014 Calendar**

- B. The Board was asked to approve the proposed Board and workshop meeting schedule for 2014. It was noted that, if the Board approves the schedule as presented, it could be changed at the Board's discretion and in compliance with the Brown Act, should the need arise.

**Motion No. 13-12-575:** *Upon consideration thereof, it was moved by Director Wu, seconded by Director Ebenkamp and unanimously carried (5-0), to approve the 2014 Board and workshop meeting schedule as presented. (Item 24)*

**Item 25: Public Comment on Closed Session**

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

**Item 26: Adjourn to Closed Session – 5:55 p.m.****Item 27: Closed Session – 5:56 p.m.**

- A. It was reported that the Board met in closed session in accordance with Government Code [§54956.9(d)(1)] to discuss one existing litigation matter concerning Michelle Lin, Esther Hong, D.H. Hwang and Isabella Hwang for decedent Jessica Hwang vs. Dachan Kim, Kyung Lee Kim, City of Industry, Walnut Valley Water District, County of Los Angeles, Doty Bros. Construction Co., and DOES 1 through 25, Inclusive, Case No. BC433130; and
- B. The Board also 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 28: Reconvene in Open Session/Report of Action Taken in Closed Session – 5:58 p.m.**

- A. It was reported that the Board met in closed session in accordance with Government Code [§54956.9(d)(1)] to discuss one existing litigation matter concerning Michelle Lin, Esther Hong, D.H. Hwang and Isabella Hwang for decedent Jessica Hwang vs. Dachan Kim, Kyung Lee Kim, City of Industry, Walnut Valley Water District, County of Los Angeles, Doty Bros. Construction Co., and DOES 1 through 25, Inclusive, Case No. BC433130. The Board was briefed on the status of the case; no action reportable under the Brown Act was taken.
- B. The Board also 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 was taken on this item.

**Adjournment at 5:59 p.m.:** *There being no further business to discuss, President Carrera adjourned the meeting.*