

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

**February 19, 2013  
At the Offices of the District**

**DIRECTORS PRESENT:**

Edwin M. Hilden, President  
Barbara A. Carrera  
Theodore L. Ebenkamp  
Scarlett P. Kwong  
Allen L. Wu (arrived at 5:35 p.m.)

**STAFF PRESENT:**

Mike 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  
Jim Ciampa, Legal Counsel

**DIRECTORS ABSENT:**

None

The meeting was called to order at 5:05 p.m. with President Hilden presiding.

Guests and others in attendance: Director Joe Ruzicka, Director David De Jesus and Mr. James Linthicum of Three Valleys Municipal Water District; Mr. William Dennehy of Chandler Asset Management; Ms. Diane Quan of Hawkins Delafield & Wood LLP; and Mr. Tom Johnsen of Fieldman, Rolapp and Associates.

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

- ◆ There were no requests to make public comment.

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

- ◆ There were no requests for additions to the agenda.

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

- ◆ The Board was asked to defer review of Agenda Items 6 and 7 until the arrival of Director Wu.

**Motion No. 13-02-432:** *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and unanimously carried (4-0), to delay review of Agenda Items 6 and 7 until Director Wu's arrival.*

**Item 8: Consent Calendar**

- ◆ The Board was asked to approve the Consent Calendar, including the minutes of the Regular Board meeting held January 14, 2013 and Special Board meeting held January 17, 2013; the February Check Register; the Community Relations/Website Activities Report; the Operations Report; the Engineering Project Status Report, and the Quarterly Water Loss Analysis.

**Motion No. 13-02-433:** *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Kwong and unanimously carried (4-0), to receive, approve, and file the Consent Calendar, including the minutes of the Regular Board meeting held January 14, 2013 and Special Board meeting held January 17, 2013; the February 2013 Check Register; the Community Relations/Website Activities Report; the Operations Report; the Engineering Project Status Report; and the Quarterly Water Loss Analysis. (Items 8-1, 2, 3, 4, 5, 6, 7)*

**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.

**Motion No. 13-02-434:** *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Kwong and unanimously carried (4-0), to receive, approve, and file the Board member expense reports for meeting attendance during the month of January 2013. (Item 9)*

**Item 10: Treasurer's Report**

- ◆ Mr. Teuber reviewed the District Statement of Revenues, Expenses, and Change in Net Assets as of January 31, 2013; the Statement of Net Assets as of January 31, 2013; and the Summary of Cash and Investments as of January 31, 2013. (Items 10-1, 2, 3)

**Motion No. 13-02-435:** *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and unanimously carried (4-0), to receive and file the District Statement of Revenues, Expenses, and Change in Net Assets as of January 31, 2013; the Statement of Net Assets as of January 31, 2013; and the Summary of Cash and Investments as of January 31, 2013. (Items 10-1, 2, 3)*

## Committee Chair Reports

### Item 11: Engineering & Special Projects Committee –Director Kwong

- ◆ The Board was asked to accept the work as installed for the Water Distribution System for Horizon Pacific Tract 53670, and authorize the filing of a Notice of Completion with the Los Angeles County Registrar-Recorder/County Clerk for the subject project. (Item 11-A)

***Motion No. 13-02-436: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Ebenkamp and unanimously carried (4-0), to accept the work as installed for the Water Distribution System for Horizon Pacific Tract 53670 (P.N. 07-3042), and authorize the filing of a Notice of Completion with the Los Angeles County Registrar-Recorder/County Clerk. (Item 11-A)***

### Item 12: Personnel Committee – President Hilden

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

(Review of Finance Committee matters, Agenda Item 13, was deferred until Director Wu’s arrival.)

### Item 14: Public Information/Community Relations/Legislative Action Committee – Director Ebenkamp

- ◆ The Board was asked to approve a two-year joint contract for professional consulting services between the Furman Group, Rowland Water District, Three Valleys MWD and the District, at a monthly cost to the District of \$3,333.33. It was mentioned that the intent of this lobbying effort is to expand the Puente Basin Water Agency’s water resource projects by seeking up to \$18.5 million in funding for water resources projects in the Six Basins area. (Item 14-A)

***Motion No. 13-02-437: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and unanimously carried (4-0), to authorize the General Manager to enter into a two-year contract with the Furman Group, jointly with Rowland Water District and Three Valleys MWD, for professional consulting services, at a monthly cost to the District of \$3,333.33. (Item 14-A)***

- ◆ The Board was asked to consider approval to express support for AB 72 (Holden): An Act to Amend Section 71253 of the Water Code. (Item 14-B)

***Motion No. 13-02-438: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and unanimously carried (4-0), to approve a “support” position for AB 72 (Holden): An Act to Amend Section 71253 of the Water Code, Relating to Municipal Water Districts. (Item 14-B)***

## Other Items

### Item 15: TVMWD/MWD – Director Hilden

- ◆ Director Hilden reviewed the “Action Line” Reports for the Three Valleys Municipal Water District Board meetings held on January 23 and February 6, 2013.

### Item 16: The P-W-R Joint Water Line Commission – Director Kwong

- ◆ Director Kwong reviewed the P-W-R Joint Water Line Commission Water Use Reports for December 2012 and January 2013.

### Item 17: Puente Basin Water Agency –Director Carrera

- ◆ The Board was asked to ratify approval of PBWA’s Joint Powers Agreement Amendment No. 3. Amendment to the Joint Powers Agreement was required to clarify that the PBWA may undertake “projects” that include a member agency’s administrative facilities and is necessitated by the fact that the Walnut Valley bond financing includes monies for construction of a new administration building. Mr. Ciampa, who also serves as PBWA legal counsel, further reviewed the proposed amendment to the restated JPA. (Item 17-A)

***Motion No. 13-02-439: Upon consideration thereof, it was moved by Director Carrera, seconded by Director Ebenkamp and unanimously carried (4-0), to approve Amendment No. 3 to the Puente Basin Water Agency Joint Powers Agreement. (Item 17-A)***

- ◆ The Board was asked to consider approval of the Puente Basin Water Agency awarding of a contract with RMC Water and Environment in the amount of \$184,810, with funding through the PBWA, for the Pomona Basin Regional Groundwater Project, Phases 1 and 2, 10% Design and Permitting. (Item 17-B)

***Motion No. 13-02-440: Upon consideration thereof, it was moved by Director Carrera, seconded by Director Ebenkamp and unanimously carried (4-0), to approve award of a contract to RMC Water and Environment in the amount of \$184,810, with funding through the Puente Basin Water Agency, for the Pomona Basin Regional Groundwater Project, Phase 1 & 2, 10% Design and Permitting. (Item 17-B)***

**Item 18: General Manager Report – Mike Holmes**

- ◆ Received a verbal update on the District’s public outreach activities in relation to the February 2013 Weymouth Plant shutdown. (Item 18-A)
- ◆ Received an ACWA Joint Powers Insurance Authority President’s Special Recognition Award. (Item 18-B)
- ◆ The General Manager presented the Board with a follow-up report on previous Board actions. (Item 18-C)
- ◆ The General Manager reviewed the District’s activities calendars for February, March, and April 2013. (Item 18-D)

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

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

- ◆ Mr. William Dennehy of Chandler Asset Management reviewed the current economic climate and provided an update on the firm’s investment activities on behalf of the District. (Item 13-A)
- ◆ The Board was asked to receive, accept, and file the District’s Investment Transactions Report for the month ending January 31, 2013. (Item 13-B)

**Motion No. 13-02-441:** *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 ending January 31, 2013. (Item 13-B)*

- ◆ The Board was asked to approve the transfer of \$131,640, the calculated annual savings from the Cost-of-Living-Adjustment reduction for purposes of funding the spousal medical benefit, from the General account to the Other Post-Employment Benefits Reserve. (Item 13-C)

**Motion No. 13-02-442:** *Upon consideration thereof, it was moved by Director Wu, seconded by Director Carrera and unanimously carried (5-0), to approve the transfer of \$131,640, the calculated annual savings from the Cost-of-Living-Adjustment reduction for purposes of funding the spousal medical benefit, from the General account to the Other Post-Employment Benefits Reserve . (Item 13-C)*

- ◆ As a matter of information, the Board was presented with a report/update of Capital Expenditures. (Item 13-D)

**Item 6: A Resolution Authorizing the Issuance of the PBWA Water Revenue Bonds, 2013 Series A (WVWD Project) by the PBWA, Approving and Authorizing the Execution of an Indenture of Trust, a Bond Purchase Contract and a Continuing Disclosure Undertaking, Approving an Official Statement and Providing for Certain Other Matters Relating Thereto**

- ◆ The Board was asked to approve Resolution No. 02-13-593, a resolution approving the Indenture of Trust, the Installment Purchase Contract, the Purchase Contract, the Preliminary Official Statement and the Continuing Disclosure Undertaking for the Bonds, and further authorizes actions in connection with the issuance of the Bonds.
- ◆ Representatives of Fieldman, Rolapp and Associates, and Hawkins Delafield & Wood LLP further explained the actions left to undertake in relation to the completion of the bond issuance process and conducted an overview of the legal documents submitted for approval in connection with the issuance of the PBWA Water Revenue Bonds.

**Motion No. 13-02-443:** *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and unanimously carried (5-0) by role call vote, to approve the Walnut Valley Water District’s issuance of water revenue bonds and adopt Resolution No. 02-13-593, A Resolution of the Walnut Valley Water District Authorizing the Issuance of the Puente Basin Water Agency (Los Angeles County, California) Water Revenue Bonds, 2013 Series A (Walnut Valley Water District Project) by the Puente Basin Water Agency, Approving and Authorizing the Execution of an Indenture of Trust, a Bond Purchase Contract, and Installment Purchase Contract and a Continuing Disclosure Undertaking, Approving an Official Statement and Providing for Certain Other Matters Relating Thereto; and to authorize the Board President, General Manager, and the Director of Finance to execute the required financing documents and agreements. (Item 6-A)*

**Item 7: Public Hearing: Consideration and Possible Adoption of Ordinance No. 01-13-593 Concerning Increase in Number of Director’s Compensable Days Per Month**

**Motion No. 13-02-444:** *Upon Consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and unanimously carried (5-0), to open the public hearing to receive comments regarding the adoption of Ordinance No. 01-13-59, An Ordinance Establishing Compensation to the Members of the Board of Directors of Walnut Valley Water District. (Item 7-A)*

- ◆ The Board conducted a public hearing to receive comments regarding the increase in number of Director’s Compensable Days Per Month. Mr. Holmes reviewed the staff report, noting a recommended adjustment in the number of compensable per diem days to seven (7) per calendar month to members of the Board of Directors. He also reported that adoption of this ordinance will officially amend and restate

Ordinance No. 04-06-01 and shall take effect 60 days after its adoption. There were no questions or no requests to make public comment. (Items 7-B & -C)

**Motion No. 13-02-445:** *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and unanimously carried (5-0), to close the public hearing. (Item 7-D)*

- ◆ The Board was asked to consider adoption of Ordinance No. 01-13-593 to Increase Number of Director's Compensable Days Per Month. (Item 7-E)

**Motion No. 13-02-446:** *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and unanimously carried (5-0) by role call vote, to adopt Ordinance No. 01-13-593, Amending and Restating Ordinance No. 04-06-01, An Ordinance Establishing Compensation to Members of the Board of Directors of Walnut Valley Water District. (Item 7-E)*

#### **Item 19: 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 District Board and committee meetings, and the PBWA meeting previously reported, Director Carrera noted her attendance at the District's employee recognition event.
- ◆ In addition to the District Board and PBWA meetings previously reported, Director Ebenkamp noted his attendance at TVMWD Board meetings, the SGV Regional Chamber "State of the Chamber" luncheon, and a Southern California Water Committee meeting.
- ◆ In addition to the District Board and committee meetings previously reported, Director Hilden noted his attendance at TVMWD Board meetings, a Southern California Water Committee meeting, and the District's employee recognition event.
- ◆ In addition to District Board and committee meetings previously report, Director Kwong noted her attendance at a Chinese Elected Officials Board meeting and the SGV Regional Chamber mixer.
- ◆ In addition to the District Board and committee meetings previously reported, Director Wu noted a meeting with the General Manager on January 2, 2013, and indicated his attendance at a Southern California Water Dialogue meeting and a Water Technology conference.

#### **Item 20: Legal Reports**

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

#### **Item 21: Items for Future Discussion**

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

#### **Item 22: Board of Directors Business**

- ◆ The Board was asked to consider requests to adopt resolutions concurring in the nomination to the ACWA/JPIA Executive Committee for Ms. Melody Henriques-McDonald of the San Bernardino Valley Water Conservation District, and Mr. Thomas A. Cuquet of South Sutter Water District. (Item 22-A)

**Motion No. 13-02-447:** *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Ebenkamp and unanimously carried (5-0), to adopt Resolutions Nos. 02-13-594 and 02-13-595, concurring in the nominations of Ms. Melody Henriques-McDonald of the San Bernardino Valley Water Conservation District, and Mr. Thomas A. Cuquet of South Sutter Water District to the ACWA/JPIA Executive Committee, respectively. (Item 22-A)*

- ◆ In light of a Director request to consider changes in the April Board and workshop meeting dates, the new dates were set as follows:

Board Meeting: Thursday, April 18, 4:00 p.m.

Workshop: Tuesday, April 30, 4:00 p.m.

**Motion No: 13-02-448:** *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Kwong and unanimously carried (5-0), to change the April Regular Board meeting to Thursday, April 18, 4:00 p.m., and the Board workshop to Tuesday, April 30, 4:00 p.m. (Item 22-B)*

#### **Item 23: Public Comment on Closed Session**

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

#### **Item 24: Adjourn to Closed Session – 6:45 p.m.**

#### **Item 25: Closed Session – 7:10 p.m.**

- ◆ The Board met in closed session in accordance with Government Code §54956.9(a) 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

**Item 26: Reconvene in Open Session/Report of Action Taken in Closed Session – 7:10 p.m.**

- A. It was reported that the Board met in closed session in accordance with Government Code §54956.9(a) to discuss one 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.

**Adjournment at 7:11 p.m.**

**Motion No: 13-02-449:** *Upon consideration thereof, it was moved by Director Carrera, seconded by Director Ebenkamp and unanimously carried (5-0), to adjourn the meeting.*