

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

**June 17, 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

**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  
Jim Ciampa, Legal Counsel

**DIRECTORS ABSENT:**

None

The meeting was called to order at 5:06 p.m. with President Hilden presiding.

Guests and others in attendance: Directors David De Jesus and Joe Ruzicka, and Mr. James Linthicum of Three Valleys Municipal Water District; Ms. Candance Heiser and Ms. Beatrice Medina of Willdan Financial Services.

**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**

- ◆ There were no requests for reorder of agenda.

**Item 6: Introduction of New District Employee**

- ◆ Although Ms. Fleming was not in attendance at the Board meeting, the Board was advised that a biographical sketch of Ms. Fleming was included in the Board packet.

**Item 7: Public Hearing: Consideration of Annual Approval of the District's Standby Charge Report**

- ◆ The Board conducted a public hearing to receive comments regarding the Water Standby Charge Report prepared by Willdan Finance Services. Mr. Teuber reviewed the report, noting staff is recommending no change in the current assessment. Representatives from Willdan Financial Services were present to answer questions; however, there were none. There were also no requests to make public comment. (Items 7 A-D)
- ◆ Discussion was held with Legal Counsel regarding requirements needed for proposing an increase to the current standby charge rate. Board concurrence was given for Legal Counsel to provide a presentation at the August Board meeting detailing the process the District would engage should the Board decide to increase the standby charge assessment in the future.
- ◆ The Board was then asked to receive and file the Water Standby Charge Report prepared by Willdan Financial Services. It was noted that the Board would consider adoption of a Resolution Establishing Water Standby Charges at the July 15, 2013 Board meeting. (Item 7-E)

***Motion No. 13-06-484: Upon consideration thereof, it was moved by Director Carrera, seconded by Director Ebenkamp and unanimously carried (5-0), to receive and file the Water Standby Charge Report prepared by Willdan Financial Services. (Item 7-E)***

**Item 8: Consent Calendar**

- ◆ The Board was asked to approve the Consent Calendar, including the minutes of the Regular Board meeting held May 20, 2013 and Special Board meeting held May 23, 2013; the June Check Register; the Community Relations/Website Activities Report; the Operations Report; the Engineering Project Status Report; and the Quarterly Water Loss Analysis.

***Motion No. 13-06-485: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and unanimously carried (5-0), to receive, approve, and file the Consent Calendar, including the minutes of the Regular Board meeting held May 20, 2013 and Special Board meeting held May 23, 2013; the June 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. 13-06-486:** *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and unanimously carried (5-0), to receive, approve, and file the Board member expense reports for meeting attendance during the month of May 2013. (Item 9)*

**Item 10: Treasurer's Report**

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

**Motion No. 13-06-487:** *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 May 31, 2013; the Statement of Net Assets as of May 31, 2013; and the Summary of Cash and Investments as of May 31, 2013. (Items 10-1, 2, 3)*

**Committee Chair Reports**

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

- ◆ The Board was asked to receive and file the 2013-14 Final Operating Safe Yield Determination of the Puente Basin Water Master. (Item 11-A)

**Motion No. 13-06-488:** *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Kwong and unanimously carried (5-0), to receive and file the Puente Basin Watermaster 2013-2014 Final Operating Safe Yield Determination. (Item 11-A)*

- ◆ The Board was asked to accept the work as installed for the Ridge Line Reservoir Coating (P.N. 12-3249), and authorize a filing of Notice of Completion for the project. (Item 11-B)

**Motion No. 13-06-489:** *Upon consideration thereof, it was moved by Director Kwong, seconded by Director Ebenkamp and unanimously carried (5-0), to accept the work as installed for the Ridge Line Reservoir Coating project (P.N. 12-3249) and to authorize the filing of a Notice of Completion for the project. (Item 11-B)*

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

- ◆ The Board was asked to consider adoption of the proposed Social Media Policy included in the Board packet. Ms. Olson indicated that the proposed policy was developed to provide guidance to District employees regarding communication to District customers and the public in general, including posting in social media sites. The policy closely resembles the JPIA Model Social Media Policy and has been reviewed by Legal Counsel. Upon adoption, the policy will be filed along with all District Personnel policies. (Item 12-A)

**Motion No. 13-06-490:** *Upon consideration thereof, it was moved by Director Carrera, seconded by Director Kwong and unanimously carried (5-0), to adopt the District's Social Media Policy. (Item 12-A)*

- ◆ The Board was asked to consider adoption of the proposed Workplace Violence Policy included in the Board packet. Ms. Olson indicated that the purpose of implementing this policy is to memorialize the District's commitment to maintaining the safety and security of District employees in the workplace. The proposed policy further outlines and provides employees notification guidelines of those who may have experienced or witnessed any such violent or threatening acts in the workplace. The policy was review by the District's Legal Counsel and upon adoption, will be filed along with all District Personnel policies. (Item 12-B)

**Motion No. 13-06-491:** *Upon consideration thereof, it was moved by Director Carrera, seconded by Director Kwong and unanimously carried (5-0), to adopt the District's Workplace Violence Policy. (Item 12-B)*

- ◆ The Board reviewed a staff report regarding Directors' use of electronic devices for District business. As this was an informational item only, no action was taken on this matter. (Item 12-C)

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

- ◆ The Board was asked to receive, accept, and file the District's Investment Transactions Report for the month ending May 31, 2013. (Item 13-A)

**Motion No. 13-06-492:** *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and unanimously carried (5-0), to receive, accept, and file the District's Investment Transactions Report for the month ending May 31, 2013. (Item 13-A)*

- ◆ Mr. Teuber reviewed the Revenue Bonds Funds Held in Trust-Union Bank monthly report, after which, the Board was asked to receive and file the report. (Item 13-B)

**Motion No. 13-06-493:** *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and unanimously carried (5-0), to receive and file the District's Revenue Bonds Funds Held in Trust-Union Bank quarterly report. (Item 13-B)*

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

- ◆ The Board received a verbal update on AB 145, State Water Resources Control Board: Drinking Water.

**Other Items**

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

- ◆ The Board received an “Action Line” Report for the Three Valleys Municipal Water District (TVMWD) Board meeting held on May 15, 2013. Following which, Director David De Jesus briefed the Board on matters pertaining to the Metropolitan Water District (MWD).

**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 Report for May 2013. She then indicated the next Pomona-Walnut-Rowland Joint Water Line Commission meeting would be held on June 20, 2013, at 3:30 p.m. at Walnut Valley Water District.

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

- ◆ The Board was asked to approve and authorize the General Manager to execute the Puente Basin Water Agency – Project, Agreement No. 1 – La Habra Heights County Water District Project. They were informed that the project agreement had been developed in accordance with the PBWA Joint Powers Agreement and was approved by the PBWA at their June 13, 2013 meeting. (Item 17-A)

**Motion No. 13-06-494:** *Upon consideration thereof, it was moved by Director Carrera, seconded by Director Ebenkamp and unanimously carried (5-0), to approve and authorize the General Manager, Michael Holmes, to execute the Puente Basin Water Agency Project Agreement No. 1 – La Habra Heights County Water District Project. (Item 17-A)*

- ◆ The Board received a staff report presented at the Puente Basin Water Agency Commission meeting held on June 13, 2013. Upon review of the staff report, the Board was asked to ratify the PBWA Commission's action approving the establishment of a Project Development Fund in the amount of \$300,000 for conducting preliminary engineering analyses and feasibility studies for various water resources projects. It was stated that funding would come from an assessment of the two Districts, Rowland Water District and Walnut Valley Water District, in the amount of \$150,000 each. (Item 17-B)

**Motion No. 13-06-495:** *Upon consideration thereof, it was moved by Director Carrera, seconded by Director Ebenkamp and unanimously carried (5-0), to approve the establishment of a Puente Basin Water Agency Project Development Fund, in the amount of \$300,000, for conducting preliminary engineering analyses and feasibility studies for various water resources projects currently being pursued, and to approve that the Walnut Valley Water District deposit funds into the Puente Basin Water Agency Project Development Fund in the amount of \$150,000. (Item 17-B)*

- ◆ The Board received an update on the Upper San Gabriel Valley Municipal Water District's proposed rates and charges. (Item 17-C)
- ◆ The Board received verbal updates on Central Basin Water Rights License and Agreements. (Item 17-D)

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

- ◆ The Board received a recap on Water Awareness month activities. (Item 18-A)
- ◆ The General Manager reported on his recent visits with Legislative Representatives in Washington, D.C., where he reviewed and discussed matters related to federal funding and the San Gabriel Watershed and Mountains Special Resources Study. (Item 18-B)
- ◆ The General Manager noted that Mr. Steven Ly, Chief Executive Officer of the SGV Regional Chamber of Commerce, asked for his consideration to serve as a member of the Chamber's Board of Directors. There were no concerns expressed by the other directors regarding this commitment. (Item 18-C)
- ◆ The General Manager presented the Board with a follow-up report on previous Board actions. (Item 18-D)
- ◆ The General Manager reviewed the District's activities calendars for June, July, and August 2013. (Item 18-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.)

- ◆ Director Carrera noted her attendance at District Board and committee meetings, and the PBWA meeting previously reported. She also stated her attendance at city council meetings for the cities of Diamond Bar and Walnut.
- ◆ In addition to the District Board and committee meetings, and the PBWA meeting previously reported, Director Ebenkamp noted his attendance at city council meetings for Diamond Bar, Walnut, and Industry, a

TVMWD Board meeting, a SGVWA Lunch Program, the Rowland Heights Chinese Association Annual Dinner, and the District's Water Awareness Poster, Essay, Solar Cup awards ceremony.

- ◆ In addition to the District Board meetings previously reported, Director Hilden advised that he attended the ACWA/JPIA Spring Conference from May 5 through May 10, 2013.
- ◆ In addition to District committee meetings previously reported, Director Kwong noted her attendance at city council meetings for Diamond Bar, Walnut, and Industry.
- ◆ In addition to the District Board meetings previously reported, Director Wu noted his attendance at the ACWA/JPIA Board of Directors meeting, city council meetings for Diamond Bar and Walnut, the MWD Solar Cup event at Lake Skinner, and the District's Water Awareness Poster, Essay, Solar Cup awards ceremony. Furthermore, Director Wu indicated he attended the American Water Works Association (AWWA) conference in Denver during the month of June 2013.

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

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

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

- ◆ Director request was made to consider postponing District committee meetings during the month of July, commencing in 2014. Staff indicated this request would be taken into consideration when scheduling calendar year 2014 committee and Board meetings.

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

- ◆ The Board was asked to consider adoption of WWD Resolution No. 06-13-599, *A Resolution of Support Placing in Nomination Ms. Sandra Olson as a Member of the Association of California Water Agencies (ACWA) Region 8 (Position)*, for the 2014-2015 term. If approved, staff would then submit the nomination form included in the Board packet to ACWA by June 30, 2013. (Item 22-A)

**Motion No. 13-06-496:** *At this time a role call vote was taken on Director Wu's motion to adopt WWD Resolution No. 06-13-599, A Resolution of Support Placing in Nomination Ms. Sandra Olson as a Member of the Association of California Water Agencies (ACWA) Region 8 (Position).*

*Yes: Carrera, Ebenkamp, Hilden, Kwong, Wu*

*No: None*

*Motion Passed (5-0)*

- ◆ The Board was asked to consider approval of the District's FY 2013-14 proposed Budget consisting of \$32,188,404 in Revenues, \$31,421,868 in Expenses, \$766,536 in Reserve Funding, District Chart of Positions, District Organizational Chart, Employee Salary Ranges, and the Capital Investment Program Budget of \$23,818,100.

**Motion No. 13-06-497:** *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and unanimously carried (5-0), to approve the District's FY 2013-14 proposed Budget consisting of \$32,188,404 in Revenues, \$31,421,868 in Expenses, \$766,536 in Reserve Funding, District Chart of Positions, District Organizational Chart, Employee Salary Ranges, and the Capital Investment Program Budget of \$23,818,100. (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 – 6:39 p.m.**

#### **Item 25: Closed Session – 7:00 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
- ◆ 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, and
- ◆ The Board also met in closed session in accordance with Government Code Section 54957 to discuss security issues.

#### **Item 26: Reconvene in Open Session/Report of Action Taken in Closed Session – 7:39 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.

- ◆ 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 with various water right holders in Central Basin and Main San Gabriel Basin. The negotiating parties are Michael Holmes and Erik Hitchman. No action reportable under the Brown Act was taken.
- ◆ The Board also met in closed session in accordance with Government Code Section 54957 to discuss security issues. No action reportable under the Brown Act was taken.

**Adjournment at 7:40 p.m.**

**Motion No. 13-06-498: *It was moved by Director Ebenkamp, seconded by Director Wu and unanimously carried (5-0), to adjourn the meeting.***