

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

**March 18, 2013  
At the Offices of the District**

**DIRECTORS PRESENT:**

Edwin M. Hilden, President  
Barbara A. Carrera  
Theodore L. Ebenkamp  
Scarlett P. Kwong (departed meeting at  
6:06 p.m.)  
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  
Carmen Fleming, Executive Assistant  
Tim Gosney, Legal Counsel

**DIRECTORS ABSENT:**

None

The meeting was called to order at 5:00 p.m. with President Hilden presiding.

Guests and others in attendance: Director Joe Ruzicka of Three Valleys Municipal Water District; Mr. Jerry Gladbach, President, and Mrs. Melody McDonald, Executive Committee Member, of the Association of California Water Agencies Joint Powers Insurance Authority.

**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: Association of California Water Agencies Joint Powers Insurance Authority Retrospective Premium Adjustment Stabilization Fund Report: District to Receive a \$14,658 Refund – Presentation by Mrs. Melody McDonald, JPIA Executive Committee Member**

- ◆ Mr. Jerry Gladbach and Mrs. Melody McDonald of ACWA/JPIA presented the District with a \$14,658 check from the ACWA/JPIA Retrospective Premium Adjustment Stabilization Fund.

**Item 7: Consent Calendar**

- ◆ The Board was asked to approve the Consent Calendar, including the minutes of the Regular Board meeting held February 19, 2013; the March Check Register; the Community Relations/Website Activities Report; the Operations Report; and the Engineering Project Status Report.

**Motion No. 13-03-450: Upon consideration thereof, it was moved by Director Carrera, seconded by Director Kwong and unanimously carried (5-0), to receive, approve, and file the Consent Calendar, including the minutes of the Regular Board meeting held February 19, 2013; the March 2013 Check Register; the Community Relations/Website Activities Report; the Operations Report; and the Engineering Project Status Report. (Items 7-1, 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. 13-03-451: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Kwong and unanimously carried (5-0), to receive, approve, and file the Board member expense reports for meeting attendance during the month of February 2013. (Item 8)**

**Item 9: Treasurer's Report**

- ◆ Mr. Teuber reviewed the District Statement of Revenues, Expenses, and Change in Net Assets as of February 28, 2013; the Statement of Net Assets as of February 28, 2013; and the Summary of Cash and Investments as of February 28, 2013. (Items 9-1, 2, 3)

**Motion No. 13-03-452: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and unanimously carried (5-0), to receive and file the District Statement of Revenues, Expenses, and Change in Net Assets as of February 28, 2013; the Statement of Net Assets as of February 28, 2013; and the Summary of Cash and Investments as of February 28, 2013. (Items 9-1, 2, 3)**

## Committee Chair Reports

### Item 10: Engineering & Special Projects Committee –Director Kwong

- ◆ The Board was asked to asked to authorize the General Manager to execute contracts for labor and materials for the Water Facilities Relocation for ACE-Nogales (S) Grade Separation project (W.O. 03-2820), to find that the project is exempt pursuant to Statutory Exemption Section 15282, and to authorize staff to file a Notice of Exemption for the subject project with the Office of the Los Angeles County Registrar-Recorder/County Clerk. (Item 10)

**Motion No. 13-03-453:** *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Kwong and unanimously carried (5-0), to authorize the General Manager to execute contracts for labor and materials (as noted below) for the Water Facilities Relocation for ACE-Nogales (S) Grade Separation project; to find that the project is exempt pursuant to Statutory Exemption Section 15282; and to authorize the filing of a Notice of Exemption with the Office of the Los Angeles County Registrar-Recorder/County Clerk.*

<u>Bid</u>	<u>Supplier</u>	<u>Price</u>	<u>Delivery</u>
Labor	Doty Bros.	\$ 493,486.00	N/A
Ductile Iron Fittings & Misc. Materials	D'Angelo Co.	\$ 9,986.45	7 days
Resilient Wedge Gate Valves	Inland	\$ 3,549.04	1-2 days
Ductile Iron Pipe	Western	\$ 4,063.69	3-5 days
Steel M.L. & C. Pipe	Inland	\$ 46,469.43	7-10 days
Service Materials	Western	\$ 5,671.99	15-30 days
Saddles, Setters & Jumpers	Western	<u>\$ 1,124.88</u>	15-30 days
	<b>Total:</b>	<b>\$ 564,351.48</b>	

### Item 11: Personnel Committee – President Hilden

- ◆ Ms. Olson reported on AB 340, the California Public Employees Pension Reform Act of 2013 (PEPRA). She indicated that new pension reform laws impact new employees/members hired on or after January 1, 2013. However, several provisions do affect the District such as the new pension formula, employee/member contributions, health vesting changes, pensionable compensation, retroactive benefit enhancements, working after retirement, and felony forfeiture. As this was an informational item only, no action was required by the Board.

### Item 12: Finance Committee – Director Wu

- ◆ The Board was asked to receive, accept, and file the District's Investment Transactions Report for the month ending February 28, 2013. (Item 12-A)

**Motion No. 13-03-454:** *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 February 28, 2013. (Item 12-A)*

- ◆ The Board was asked to approve and adopt Procedures for Post-Issuance Compliance with Federal Tax Law. Mr. Teuber explained that the IRS recently encouraged all tax-exempt bond issuers to establish written procedures to monitor compliance with the tax laws that must be adhered to throughout the term of the bond financing. Additionally, he noted that when filing IRS Form 8038-G, a form required to be filed in connection with the issuance of tax-exempt bonds, you are required to indicate whether the issuer has established written procedures to monitor compliance with federal tax laws. With this, Mr. Teuber indicated that District Legal Counsel and Bond Counsel reviewed the document, and upon Board approval, would be filed accordingly along with all District General Policies. (Item 12-B)

**Motion No. 13-03-455:** *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and unanimously carried (5-0), to adopt the Procedures for Post Issuance Compliance with Federal Tax Law. (Item 12-B)*

### Item 13: Public Information/Community Relations/Legislative Action Committee – Director Ebenkamp

- ◆ The Board was asked to authorize the General Manager to submit a letter expressing "support" for AB 1073 (Torres-D, Chino) Emergency Services: Utility Access. This bill, if approved, would require that a universal insignia be displayed on badges worn by a properly qualified and certified utility worker or technician to enable access to a location subject to a disaster or other emergency. (Item 13-A)

**Motion No. 13-03-456:** *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and unanimously carried (5-0), to express a "support" position for AB 1073 (Torres), Emergency Services: Utility Access. (Item 13-A)*

- ◆ The Board was asked to consider expressing an "oppose unless amended" position for AB 145 (Perea-D, Fresno), State Water Resources Control Board: Drinking Water. (Item 13-B)

**Motion No. 13-03-457:** *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and unanimously carried (5-0), to approve an “oppose unless amended” position for AB 145 (Perea), State Water Resources Control Board: Drinking Water. (Item 13-B)*

### **Other Items**

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

- ◆ The Board received an “Action Line” Report for the Three Valleys Municipal Water District Board meeting held on February 20, 2013.

#### **Item 15: 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 February 2013. Director Carrera then took a moment to recap on P-W-R’s February 21, 2013 commission meeting activities.

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

- ◆ Director Carrera advised the Board of the adoption of a Puente Basin Water Agency resolution authorizing the issuance of PBWA Water Revenue Bonds (WVWD Project) via the Puente Basin Water Agency.

#### **Item 17: General Manager Report – Mike Holmes**

- ◆ Received updates and recaps on the Weymouth Plant shutdown, government relations consulting services, PBWA Water Revenue Bonds-Series A, and the Los Angeles County Clean Water, Clean Beaches Measure. (Item 17-A)
- ◆ The General Manager presented the Board with a follow-up report on previous Board actions. (Item 17-B)
- ◆ The General Manager reviewed the District’s activities calendars for March, April and May 2013. (Item 17-C)

#### **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 Carrera noted her attendance at District Board and committee meetings, and the PBWA and P-W-R Joint Water Line Commission meetings previously reported.
- ◆ In addition to the District Board and committee meetings, and the PBWA meeting previously reported, Director Ebenkamp noted his attendance at a TVMWD Board meeting and Leadership Breakfast, an IMC Executive Luncheon, and the SGV Regional Chamber Prayer Breakfast.
- ◆ In addition to the District Board and committee meetings previously reported, Director Hilden noted his attendance at TVMWD Board meetings and Leadership Breakfast, the City of Diamond Bar’s Chinese New Year Celebration, and the City of Walnut’s Chinese Association New Year Celebration.
- ◆ In addition to District Board and committee meetings previously report, Director Kwong noted her completion of an online sexual harassment training for supervisors in addition to her attendance at a TVMWD Leadership Breakfast and the CAPA Diamond Bar High School 2013 Lunar New Year Blessing ceremony.
- ◆ In addition to the District Board and committee meetings previously reported, Director Wu noted his attendance at the City of Walnut’s Chinese Association New Year Celebration, a TVMWD Leadership Breakfast, the CAPA Diamond Bar High School 2013 Lunar New Year Blessing ceremony, the City of Diamond Bar’s Chinese Association New Year Celebration, and a Southern California Water Dialogue. Director Wu made note of his attendance at the March 2, 2013 Chinese-American Association of Walnut event.

#### **Item 19: Legal Reports**

- ◆ Legal Counsel reported on Director Ebenkamp’s position with the Youth Science Center (YSC) in regard to required disclosures. It was explained that the YSC is a non-profit organization, located in Hacienda Heights, in which Director Ebenkamp is a member of the Board of Directors. His position is voluntary and unpaid. Government Code Section 1090 prohibits elected officials and employees from having a financial interest in any contract that their agency enters into. However, exceptions to this code apply for “remote interests,” under Government Code Section 1091. As the YSC is a tax-exempt, non-profit entity and Director Ebenkamp does not receive compensation for his services on the YSC’s Board, the “remote interest” under Government Code Section 1091(b)(1) applies. Therefore, the Walnut Valley Water District would be able to enter into a contract with the YSC if, (1) Director Ebenkamp discloses his position on the YSC’s Board to the WVWD Board of Directors and such disclosure is noted in the District’s official records and, (2) Director Ebenkamp does not participate in the discussion and vote on the matter. (Item 19-A)
- ◆ Legal Counsel advised that full compliance with the Open Meetings Act/Brown Act Reform, particularly the provision regarding posting requirements, is now required. Yet, compliance costs are no longer reimbursable state mandates. (Item 19-B)

- ◆ Mr. Gosney noted there were no legal matters to report on concerning Closed Session Agenda Item A, Conference with Legal Counsel – Existing Litigation [§54956.9(a)]; therefore, a closed session would not be held at the conclusion of the regular business agenda.

**Item 20: Items for Future Discussion**

- ◆ Director Wu requested that staff inquire about Board room signage.

**Item 21: Board of Directors Business**

- ◆ The Board was asked to consider the adoption of a Water Awareness Month Proclamation. (Item 21-A)

**Motion No. 13-03-458:** *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and unanimously carried (5-0), to adopt the proclamation declaring May as “Water Awareness” Month. (Item 21-A)*

(Director Kwong left the Board meeting at 6:06 p.m.)

- ◆ The Board was provided with the Puente Basin Watermaster’s Tentative 2013-14 Operating Budget. No comments were made regarding the Tentative 2013-14 Operating Budget; therefore, no Board action was necessitated. (Item 21-B)

**Adjournment at 6:11 p.m.**