

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

**May 20, 2013
At the Offices of the District**

DIRECTORS PRESENT:

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

DIRECTORS ABSENT:

Scarlett P. Kwong

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

The meeting was called to order at 5:07 p.m. with President Hilden presiding.

Guests and others in attendance: Director Joe Ruzicka and Mr. James Linthicum of Three Valleys Municipal Water District, and Mr. Jayson Schmitt of Chandler Asset Management.

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

- ◆ By Board consensus, a reorder of agenda was approved to move Agenda Item 11-A, Review of District Investment Activities by Mr. Jayson Schmitt of Chandler Asset Management, to follow Agenda Item 7, Director Expense Reports.

Item 6: Consent Calendar

- ◆ The Board was asked to approve the Consent Calendar, including the minutes of the Regular Board meeting held April 18, 2013 and Special Board meeting held April 30, 2013; the May Check Register; the Community Relations/Website Activities Report; the Operations Report; and the Engineering Project Status Report.

Motion No. 13-05-474: *Upon consideration thereof, it was moved by Director Wu, seconded by Director Ebenkamp and unanimously carried (4-0), to receive, approve, and file the Consent Calendar, including the minutes of the Regular Board meeting held April 18, 2013 and Special Board meeting held April 30, 2013; the May 2013 Check Register; the Community Relations/Website Activities Report; the Operations Report; and the Engineering Project Status Report. (Items 6-1, 2, 3, 4, 5, 6)*

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. 13-05-475: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and unanimously carried (4-0), to receive, approve, and file the Board member expense reports for meeting attendance during the month of April 2013. (Item 7)*

Item 11-A: Review of District Investment Activities by Mr. Jayson Schmitt of Chandler Asset Management

- ◆ Mr. Jayson Schmitt 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 11-A)

Item 8: Treasurer's Report

- ◆ Mr. Teuber reviewed the District Statement of Revenues, Expenses, and Change in Net Assets as of April 30, 2013; the Statement of Net Assets as of April 30, 2013; and the Summary of Cash and Investments as of April 30, 2013. (Items 8-1, 2, 3)

Motion No. 13-05-476: *Upon consideration thereof, it was moved by Director Wu, 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 April 30, 2013; the Statement of Net Assets as of April 30, 2013; and the Summary of Cash and Investments as of April 30, 2013. (Items 8-1, 2, 3)*

Committee Chair Reports

Item 9: Engineering & Special Projects Committee –Director Ebenkamp

- ◆ The Board was asked to schedule a public hearing to be held at the July 15, 2013 Board meeting to receive and respond to public comments on the District's Public Health Goals (PHGs) Report.

Motion No. 13-05-477: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and unanimously carried (4-0), to schedule a public hearing to be held at the July 15, 2013 Board meeting to receive and respond to public comments on the District's Public Health Goals (PHGs) Report. (Item 9-A)*

Item 10: Personnel Committee – President Hilden

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

Item 11: Finance Committee – Director Wu

- ◆ The Board was asked to receive, accept, and file the District's Investment Transactions Report for the month ending April 30, 2013. (Item 11-B)

Motion No. 13-05-478: *Upon consideration thereof, it was moved by Director Wu, seconded by Director Ebenkamp and unanimously carried (4-0), to receive, accept, and file the District's Investment Transactions Report for the month ending April 30, 2013. (Item 11-B)*

- ◆ 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 11-C)

Motion No. 13-05-479: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and unanimously carried (4-0), to receive and file the District's Revenue Bonds Funds Held in Trust-Union Bank quarterly report. (Item 11-C)*

- ◆ The Board was asked to schedule a Public Hearing to be held during the June 17, 2013 Board meeting, to receive comments regarding the District's Standby Charge Assessment. (Item 11-D)

Motion No. 13-05-480: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and unanimously carried (4-0), to schedule a public hearing to be held during the June 17, 2013 Board meeting to receive and respond to comments regarding the District's Standby Charge Assessment. (Item 11-D)*

- ◆ The Board was asked to consider adoption of WVWD Resolution No. 05-13-598, Authorizing Investment of Monies in the Local Agency Investment Fund. Mr. Teuber explained that this resolution will replace WVWD Resolution No. 03-06-516 and as a result, authorize Mr. Holmes, General Manager/Secretary; Mr. Teuber, Director of Finance/Treasurer; Mr. Hitchman, Assistant General Manager; and Mr. Lewis, Finance Manager, to deposit or withdraw monies from the Local Agency Investment Fund (LAIF). (11-E)

Motion No. 13-05-481: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and unanimously carried (4-0), to adopt WVWD Resolution No. 05-13-598, A Resolution Replacing and Updating Resolution No. 03-06-516, Authorizing Investment of Monies in the Local Agency Investment Fund. (Item 11-E)*

- ◆ The Board was asked to declare the fully depreciated office and filed equipment identified in the list provided in the Board packet as surplus property and authorized that all items be disposed of in accordance with District policy. (11-F)

Motion No. 13-05-482: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and unanimously carried (4-0), to declare the fully depreciated office and field equipment identified in the list provided in the Board packet as surplus property and that it be disposed of in accordance with District policy. (Item 11-F)*

- ◆ The Board was asked to authorize the appropriation of \$38,000 from the Capital Fund for District's Portable Tank Mixing System Project (P.N. 11-3218); \$30,000 from the Reserve for Replacement for the Diamond Bar Boulevard Valve Replacement and Repiping (P.N. 10-3207), Sample Station Replacements (P.N. 12-3261), and Terminal Storage Electrical Panel Modification (P.N. 11-3228) projects; and \$72,000 from the Acreage Supply Charge Fund for the 910 Zone Improvements, 16-inch Pipeline Improvements Project. (Item 11-G)

Motion No. 12-05-483: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and unanimously carried (4-0), to authorize the appropriation of funds for various Capital Improvement Projects as noted below:*

<i>Amount</i>	<i>Description</i>
<i>\$38,000</i>	<i>From the Capital Fund for District's Portable Tank Mixing System Project (P.N. 11-3218)</i>
<i>\$30,000</i>	<i>From the Reserve for Replacement for the projects listed below:</i>
	<i>• \$17,000 - Diamond Bar Blvd. Valve Replacement and Repiping (P.N. 10-3207)</i>
	<i>• \$ 3,000 - Sample Station Replacements (P.N. 12-3261)</i>

	• <i>\$10,000 - Terminal Storage Electrical Panel Modification (P.N. 11-3228)</i>
\$72,000	<i>From the Acreage Supply Charge Fund for the 910 Zone Improvements, 16-Inch Pipeline Improvements Project.</i>

- ◆ As a matter of information, the Board was presented with a report/update of Capital Expenditures. (Item 11-G)

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

- ◆ The Board received an “Action Line” Report for the Three Valleys Municipal Water District (TVMWD) Board meeting held on April 17, 2013. Following which, Mr. James Linthicum highlighted activities of the April 17 Board meeting, such as the adoption of their FY 2013-14 Budget and water rates and charges for CY 2014.

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

- ◆ Director Carrera reviewed the P-W-R Joint Water Line Commission Water Use Report for March 2013.

Item 15: Puente Basin Water Agency –Director Carrera

- ◆ Director Carrera briefed the Board of PBWA May 16, 2013 Commission meeting activities and noted the next meeting will be held June 13, 2013 at 7:00 a.m. at Rowland Water District.

Item 16: General Manager Report – Mike Holmes

- ◆ The Board received a certificate of participation from ACWA for the District’s submittal for the Clair A. Hill Water Agency 2013 Award of Excellence. Ms. Olson noted Contra Costa Water District won the award for its Los Vaqueros Reservoir expansion project. (Item 16-A)
- ◆ The Board was provided with an update on the FY 2013-14 budget. (Item 16-B)
- ◆ The Board was received a status update on federal funding. (Item 16-C)
- ◆ The General Manager presented the Board with a follow-up report on previous Board actions. (Item 16-D)
- ◆ The General Manager reviewed the District’s activities calendars for May, June, and July 2013. (Item 16-E)

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.)

- ◆ Director Carrera noted her attendance at District regular and special Board meetings, and committee meetings, and the PBWA meeting previously reported. In addition, she indicated her attendance at a Business Advisory Meeting with Senator Huff and the District’s Water Awareness barbecue.
- ◆ In addition to the District regular and special Board meetings, and committee meetings, and the PBWA meeting previously reported, Director Ebenkamp noted his attendance at a Business Advisory meeting with Senator Huff, a SGV Regional Chamber Government Affairs Committee meeting, a Rowland Heights Community Coordinating Council meeting, a TVMWD Board meeting, a MWD Inspection tour of the Colorado River, a SGVEP Economic and Demographics Outlook presentation, and a Southern California Water Committee meeting held on April 26. In addition, he noted his participation in an AWWA Biotreatment webinar and the judging of Water Awareness posters and essays.
- ◆ In addition to the District regular and special Board meetings, and committee meetings previously reported, Director Hilden noted his attendance at TVMWD Board meetings, a Southern California Water Committee meeting, and a WVWD Building Ad Hoc committee meeting. He then advised that he was not in attendance at the April 10, 2013 WVWD Public Information/Legislative Action Committee meeting.
- ◆ Although Director Kwong was not present to report her meeting attendance for the month of April, her Expense Report indicated she attended District regular and special Board meetings and committee meetings. In addition, she judged District Water Awareness posters, and presented District certificates of acknowledgement at the ACE Nogales Ground Breaking ceremony, and the City of Rosemead’s mayor installation event.
- ◆ In addition to the District Board and committee meetings, Director Wu noted his attendance at District regular and special Board meetings, a WVWD Building Ad Hoc committee meeting, a MWD Inspection Tour of the Colorado River, and the WVWD High Efficiency Toilet (HET) event on April 27, 2013.

Item 18: Legal Reports

- ◆ Mr. Gosney advised the Board that the District received an Ex Parte Notice as a real property in interest regarding an application for temporary restraining order in *West Covina Community Development Commission, et al., v. Matosantos, et. al.*, (Case No. 34-2013-80001479-CU-WM-GDS in Sacramento Superior Court). He then noted there would be a closed session following the regular business meeting.

Item 19: Items for Future Discussion

- ◆ A director request was made for the Personnel Committee to review a public agencies' obligation concerning requests to view or receive copies of public records in accordance with the California Public Records Act, particularly focusing on which e-mail messages constitute public records.

Item 20: Board of Directors Business

- ◆ The Board was provided with a memorandum calling for ACWA Region 8 nominations and asked if there was any Board member interest in serving on the ACWA Region 8 Board of Directors for the 2013-2014 term. There being no interest, no action was taken on this item. The General Manager then noted his possible interest for nomination and stated he would keep the Board informed if he determines to submit a Nomination Form. (Item 20-A)

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 – 6:23 p.m.**Item 23: Closed Session – 6:43 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.
- ◆ The Board also met in closed session in accordance with Government Code Section 54956.9(b) to discuss one potential litigation matter

Item 24: Reconvene in Open Session/Report of Action Taken in Closed Session – 6:56 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. District approval was given to go out and seek negotiations for rates better or competitive to those of Metropolitan Water District's tier 1 untreated water rate.
 - ◆ The Board also met in closed session in accordance with Government Code Section 54956.9(b) to discuss one potential litigation matter. No action reportable under the Brown Act was taken.

Adjournment at 6:57 p.m.