

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

**September 16, 2013
At the Offices of the District**

DIRECTORS PRESENT:

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

STAFF PRESENT:

Erik Hitchman, Assistant General Manager/Chief Engineer
Sandra Olson, Director of Administrative Services
Brian Teuber, Director of Finance
Carmen Fleming, Executive Assistant
Timothy Gosney, Legal Counsel

DIRECTORS ABSENT:

Scarlett P. Kwong

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

Guests and others in attendance: Directors Joe Ruzicka, Director David DeJesus and Staff Member James Linthicum of Three Valleys Municipal Water District; Mr. Harry Peterson.

Item 3: Public Comment – President Hilden

- ◆ Mr. Harry Peterson had questions regarding financial transactions related to the Puente Basin Water Agency. Staff asked for a list of questions from him that they would be happy to personally discuss and answer.

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: Consent Calendar

- ◆ The Board was asked to approve the Consent Calendar, including the minutes of the Regular Board meeting held August 26, 2013; the September Check Register; the Community Relations/Website Activities Report; the Operations Report; and the Engineering Project Status Report.
- ◆ Director Ebenkamp noted a discrepancy in the Minutes under Directors' Oral Reports. On page 3, the minutes mentioned Director Ebenkamp had attended the Industry Manufacturers Council Legislative Breakfast, which he did not attend.

Motion No. 13-09-523: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and carried (4-0), to receive, approve, and file the Consent Calendar, including the minutes of the Regular Board meeting held August 26, 2013 (with the above noted change to the Minutes); the September Check Register; the Community Relations/Website Activities Report; the Operations Report; and the Engineering Project Status Report. (Items 6-1, 2, 3, 4, 5)

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. 13-09-524: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and carried (4-0), to receive, approve, and file the Board member expense reports for meeting attendance during the month of August 2013. (Item 7)

Item 8: Treasurer's Report

- ◆ The Board received an update on the Summary of Cash and Investments as of August 31, 2013.
- ◆ Mr. Teuber noted that due to the fiscal year-end, the District Statement of Revenues, Expenses, and Change in Net Assets; and the District Statement of Net Assets will be presented at the October Board meeting.

Motion No. 13-09-525: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and carried (4-0), to receive, approve, and file the Summary of Cash and Investments for August 31, 2013. (Items 8-2)

Committee Chair Reports

Item 9: Engineering & Special Projects Committee – Director Ebenkamp

- ◆ The Board was asked to accept the acquisition of a 24-month temporary construction easement for the Fairway Drive grade separation project by Alameda Corridor-East Construction Authority.

Motion No. 13-09-526: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and carried (4-0), to accept the acquisition of a 24-month temporary construction easement for the Fairway Drive grade separation project by Alameda Corridor-East Construction Authority and authorize the General Manager to execute the contract. (Item 9-A)*

Item 10: Personnel Committee – President Hilden

- ◆ The Board received a verbal update regarding the 2014 Association of California Water Agencies/Joint Powers Insurance Authority medical, dental, and vision coverage plan renewals.

Item 11: Finance Committee – Director Wu

- ◆ The Board was asked to receive, approve, and file the District's Investment Transactions Report for the month ending August 31, 2013. (Item 11-A)

Motion No. 13-09-527: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and carried (4-0), to receive, approve, and file the Investment Transactions Report for the month ending August 31, 2013. (Item 11-A)*

- ◆ The Board was given a verbal update on individual projects. (Item 11-B)
- ◆ The Board were asked to review and approve the use of bond proceeds for the Puente Basin Water Agency (PBWA) Water Supply Reliability Program, Pomona Basin Regional Groundwater Project 10% Design for Six Basins Project, La Habra Heights County Water District (LHHCWD) Project, California Domestic Water Company Project, Ridgeline Pump Station Electrical Panel Modifications (W.O. 12-3267), and the Portable 30kw Diesel Standby Generator (W.O. 13-3290), and the use of Reserve for Replacement funds for the LHHCWD Project and the California Domestic Water Company (Cal Domestic) Project. (Item 11-B)

Motion No. 13-09-528: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and carried (4-0), to approve the use of bond proceeds for the Puente Basin Water Agency (PBWA) Water Supply Reliability Program, Pomona Basin Regional Groundwater Project 10% Design for Six Basins Project, La Habra Heights County Water District (LHHCWD) Project, California Domestic Water Company Project, Ridgeline Pump Station Electrical Panel Modifications (W.O. 12-3267), and the Portable 30kw Diesel Standby Generator (W.O. 13-3290), and the use of Reserve for Replacement funds for the LHHCWD Project and the California Domestic Water Company (Cal Domestic) Project. (Item 11-B)*

- ◆ Mr. Teuber reviewed the Revenue Bond Funds Held in Trust-Union Bank monthly report, after which, the Board was asked to receive, approve, and file the report. (Item 11-C)

Motion No. 13-09-529: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and carried (4-0), to receive, approve, and file the Revenue Bonds held in Trust with Union Bank Investment Transactions report. (Item 11-C)*

Item 12: Public Information/Community Relations/Legislative Action Committee – Director Ebenkamp

- ◆ There was no Public Information/Community Relations/Legislative Action Committee matters presented to the Board.

Other Items

Item 13: TVMWD/MWD – Director Hilden

- ◆ Director Hilden stated that the next TVMWD meeting is scheduled for September 18, 2013, at 8:00 a.m.

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

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

Item 15: Puente Basin Water Agency – Director Carrera

- ◆ Director Carrera stated that the Agency was updated on various items. She then indicated that the next Puente Basin Water Agency meeting will be held on October 10, 2013 at 7:00 a.m. at the Rowland Water District.
- ◆ The Board was asked to ratify the PBWA Board action to approve of the material bids for the Cal Domestic project.

Motion No. 13-09-530: *Upon consideration thereof, it was moved by Director Carrera, seconded by Director Ebenkamp and carried (4-0), to ratify the PBWA's action to approve and award material bids for the steel pipe and valves required for the Cal Domestic Project. (Item 15-A)*

Item 16: General Manager Report – provided by Erik Hitchman

- ◆ Mr. Hitchman gave a brief update on Federal funding, and HR3080.
- ◆ Mr. Hitchman discussed the follow-up report on previous Board actions and an update regarding the execution of the communications site lease with the City of Walnut.

- ◆ Mr. Hitchman reviewed the District's activities calendars for September, October, and November 2013.

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 Kwong was not in attendance to provide an oral report; however, her expense report noted her attendance at a meeting with China Ambassador Jian Liu, the International Environmental Conference, an Overseas Chinese American Environment Engineers and Scientists Association Convention. She also attended the August Board Workshop and Regular Board meeting.
- ◆ In addition to the District Board and PBWA meetings, Director Ebenkamp noted his attendance at the Regional Chamber Government Affairs Committee meeting, a meeting with the District's Director of Finance, and the San Bernardino County Water Forum.
- ◆ In addition to the District Board and Building Ad Hoc committee meetings, Director Wu noted a customer service matter, his attendance at an Urban Water Institute event, and the San Bernardino County Water Forum.
- ◆ Director Carrera noted her attendance at District Board meetings and the PBWA meeting.
- ◆ In addition to the District Board and Building Ad Hoc Committee meetings previously reported, Director Hilden advised that he had attended the San Bernardino County Water Forum and had met with the District's Director of Finance.

Item 18: Legal Reports

- ◆ Legal Counsel provided an update on AB 145.
- ◆ Legal Counsel noted there would be a closed session following the regular business meeting.

Item 19: Items for Future Discussion

- ◆ Director Wu asked that staff research the feasibility of the District using "Green Vehicles."

Item 20: Board of Directors Business

- ◆ The Board was given background information and asked to consider adopting Resolution No. 09-13-602 ordering election not be held for Walnut Valley Water District and requesting appointment of persons nominated in Divisions 2 and 3.

Motion No. 13-09-531: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and carried (4-0), to adopt Resolution No. 09-13-602 ordering election not be held for Walnut Valley Water District and requesting appointment of persons nominated – Divisions 2 and 3. (Item 20-A)*

- ◆ The Board was asked to select an alternate delegate to vote for the LAFCO Independent Special District Selection Committee should the designee not be able to participate.
- ◆ Following Board discussion, Mr. Ebenkamp was nominated as the alternate voting member.

Motion No. 13-09-532: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and carried (4-0), to adopt Resolution No. 09-13-603 authorizing Director Ebenkamp as the District's alternate voting delegate at the LAFCO Independent Special District Selection Committee election on October 7, 2013 in the event the District's presiding officer cannot participate in the proceedings. (Item 20-B)*

- ◆ The Board discussed supporting Mr. Joe Ruzicka as a candidate to serve as an Alternate Member representing the LAFCO Independent Special Districts.

Motion No. 13-09-533: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and carried (4-0), to approve support for TVMWD Director Joe Ruzicka to serve the unexpired term of office for the position of Alternate Member representing LAFCO Independent Special Districts*

- ◆ The Board was given background information and asked to approve a lease agreement with Royal Vista Golf Course.

Motion No. 13-09-534: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and carried (4-0), to approve the agreement with Royal Vista Golf Courses for lease of 26.2 acre-feet of the District's Puente Basin Water Rights at a cost of \$560 per acre-foot. (Item 20-C)*

- ◆ The Board discussed the revised fee proposal from Henry Woo Architects.
- ◆ The Board asked that this item be brought back to them after the proposal was further refined.

Motion No. 13-09-535: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and carried (4-0), to continue working with Henry Woo Architects for the District Administrative Headquarters Facility Project (P.N. 08-3082) and direct staff to further discuss a revised fee proposal based on the change in scope of the project with them. (Item 20-D)*

- ◆ The Board reviewed proposed changes to the General Manager's Work Plan for the FY 2013-14.

Item 22: Public Comment on Closed Session

- ◆ 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.

Item 23: Adjourn to Closed Session – 6:02 p.m.

Item 24: Closed Session – 6:11 p.m.

Item 25: Reconvene in Open Session/Report of Action Taken in Closed Session – 6:12 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.
- 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 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.

Adjournment at 6:12 p.m.

Motion No. 13-09-536: There being no further business to discuss, upon consideration thereof, by unanimous consent of the Board, the meeting was adjourned at 6:12 p.m. in honor of Director Wu's father Mr. Tieh Min Wu.