

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

**July 3, 2014
At the Offices of the District**

DIRECTORS PRESENT:

Barbara A. Carrera, President
Theodore L. Ebenkamp
Allen L. Wu (arrived at 4:20 p.m.)
Edwin Hilden
Scarlett P. Kwong

DIRECTORS ABSENT:

None

STAFF PRESENT:

Michael Holmes, General Manager
Erik Hitchman, Assistant General Manager/Chief Engineer
Brian Teuber, Director of Finance
Sandra Olson, Director of Administrative Services
Gabriela Sanchez, Executive Secretary
Carmen Fleming, Executive Assistant
Jim Ciampa, Legal Counsel

The meeting was called to order at 4:00 p.m. with President Carrera presiding. There were no guests in attendance.

Item 3: Public Comment –President Carrera

- ◆ There were no requests.

Item 4: Proposed Rates**A. Review of Proposed Five-Year Water Rates**

- ◆ Based on Board direction received from the May 22, 2014 Board workshop, major components of the rate study along with proposed rates covering a five-year period beginning with FY 2014-15 were presented to the Board for approval for inclusion in the District's rate study and model and for use in the District's Prop 218 Notice.
- ◆ Discussion was entertained regarding proposed drought rates. Staff indicated that due to hydrologic conditions and in anticipation of potential continued dry conditions, drought rates will be developed based on the District's existing water supply shortage stages. Then, if approved by the Board of Directors, drought rates will be incorporated into the Proposition 218 Notice. The Board was advised that a finalized drought rate proposal will be presented for their consideration at the July Board meeting.
- ◆ Board concurrence was given for the implementation of the proposed rates into the rate study and model, and to commence with the development of the Proposition 218 Notice.

B. Review of Water Rate Setting Process and Proposed Outreach Timeline

- ◆ Following review of the five-year water rates, a timeline of upcoming events in connection with the water rate setting and public outreach process was provided.

Adjournment at 4:58 p.m.