

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

**April 23, 2015
At the Offices of the District**

DIRECTORS PRESENT:

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

DIRECTORS ABSENT:

Scarlett Kwong

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
Jose Martinez, Administrative Services Manager
Jim Ciampa, Legal Counsel

The meeting was called to order at 4:02 p.m. with President Ebenkamp presiding.

Guests and others in attendance: TVMWD Director David De Jesus; Mr. Bruce Chithea, local resident

Item 3: Public Comment –President Ebenkamp

- ◆ There were no requests for public comment.
- ◆ A request from the General Manager was made to move Agenda Item 6, District Headquarters Update, to follow Agenda Item 3. The reordering of the agenda, as requested by the General Manager, was approved by Board consensus.

Item 6: District Headquarters Update

- ◆ As a matter of information, the Board was advised that a meeting has been scheduled with the building architect, Henry Woo and Associates, to review and evaluate possible building alternatives. (Item 6)

Item 4: Water Supply Update: Emergency Drought Regulations

- ◆ Staff reviewed correspondence received from the State Water Resources Control Board, dated April 18, 2015, regarding Regulatory Framework for implementing mandatory conservation across the state that will implement the Governor’s Executive Order’s provisions and will impose restrictions to achieve a statewide reduction in water usage by 25%, as compared to 2013. Those regulations call for the District to specifically achieve a 28% reduction in water use as compared to 2013. By separate action, MWD will apply a 15% reduction in water supplies to its member agencies starting July 1, 2015. Surcharges will be imposed by MWD for agencies that exceed their reduced allocations, and penalties can be imposed by the State Water Board on water purveyors that fail to achieve their designated water conservation levels. In light of prior water usage reductions made over the past year, District staff will focus on a 25% water use reduction in outreach efforts with District customers.
- ◆ Staff indicated that because of the required consumption reduction, drought rate surcharges may need to be implemented. Drought rate surcharges would: (1) send a price signal to conserve water, and (2) ensure sufficient revenues are collected to fund the District’s core operations and ensure that increased relative costs are appropriately allocated to those who continue to use large quantities of water.
- ◆ Director request was made for staff to provide an example of the financial impact to customers should the drought rate surcharge be implemented. The Board then approved scheduling a Special Board meeting for May 14, 2015, 4:30 p.m., to further discuss drought-related matters and the application of the drought rate surcharge in response to the ongoing drought and the Governor’s emergency declaration and related required cutbacks.

Item 5: Consider Approval of Resolution No. 04-15-616, Declaring a Stage 3 Water Supply Shortage

- ◆ The Board was asked to consider adoption of WVWD Resolution No. 04-15-616, to Declare a “Stage 3 Water Supply Shortage” Pursuant to District Ordinance No. 06-09-07, An Ordinance of Walnut Valley Water District to Establish Water Use Efficiency Requirements and Water Supply Shortage Stages. Furthermore, the Board was asked to direct staff to publish, as required, following the declaration of the Stage 3 shortage level, a copy of the resolution in a local newspaper used for publication of official notices. It was noted that upon approval of Resolution No. 06-15-616 declaring a “Stage 3 Water Supply Shortage,” the mandatory conservation requirements in Stage 3 will take effect immediately, and the resolution must be published by the fifth day after the date the resolution is adopted. (Item 5)

Motion No. 15-04-769: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu, and approved (4-0) by roll call vote (as noted below), to adopt WVWD Resolution No. 04-15-616, Declaring a Stage 3 Water Supply Shortage Pursuant to WVWD Ordinance No. 06-09-07, An Ordinance to Establish Water Use Efficiency Requirements and Water Supply Shortage Stages.

Aye: Carrera, Ebenkamp, Hilden, Wu

No: None

Absent: Kwong

Motion Passed (4-0)

President Ebenkamp indicated Motion No. 15-04-769 was approved by a (4-0) roll call vote

Motion No. 15-04-770: *Upon consideration thereof, it was moved by Director Carrera, seconded by Director Hilden, and approved (4-0), to direct staff to publish a copy of WVWD Resolution No. 04-15-616 in a local newspaper used for publication of official notices.*

President Ebenkamp indicated Motion No. 15-04-770 was approved by a (4-0) vote

Item 7: Fiscal Year 2015-16 Draft budget Overview

- ◆ The Board viewed a draft 2015-16 budget outline and was advised that further review of budget materials will be agendaized for the May workshop.

Adjournment at 5:15 p.m.

Motion No. 15-04-771: *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Carrera and unanimously carried (4-0), to adjourn the meeting.*

President Ebenkamp indicated Motion No. 15-04-771 was approved by a 4-0 vote