

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

**January 21, 2016
At the Offices of the District**

DIRECTORS PRESENT:

Scarlett Kwong, President
Theodore L. Ebenkamp
Edwin Hilden
Theresa Lee
Allen Wu

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
Jim Ciampa, Legal Counsel

DIRECTORS ABSENT:

None

The meeting was called to order at 4:05 p.m. with President Kwong presiding.

There were no guests in attendance.

Item 3: Public Comment –President Kwong

- ◆ There were no requests.

Item 4: Drought Impacts on Future Rate and Revenues

- ◆ The Board received a PowerPoint presentation on the potential impacts of the drought on the District's revenues. Staff noted that the Board-approved 2014 rate study did not anticipate the 25% decrease in water consumption that was mandated by the State. With the drought, and state mandate to reduce consumption by 25%, likely to impact the District's water sales for the next several years, staff recommended that the rate model be revised to incorporate these changes. Such changes to the model will allow staff to fully evaluate the impacts to the District's revenues, reserve funding, and future rates. Once the model is revised, the Board will have the opportunity to consider several options including revisiting the District's rate principles and reserve goals.
- ◆ Following discussion of potential impacts on future rates and revenues, the Board was asked to approve staff developing a scope-of-work related to revising the rate model and to solicit a bid from Raftelis Financial Consultants, the same firm that had been engaged by the District for the 2014 rate study. (Items 4-A,B)

Motion No. 16-01-884: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and carried by a (5-0), to authorize staff to develop a scope-of work related to revising the rate model and solicit a bid from Rafetlis Financial Consultants, Inc. and another qualified consultant. (Item 4-B)*

President Kwong indicated Motion No. 16-01-884 was approved by a (5-0) vote

Adjournment at 4:52 p.m.