

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

**September 24, 2015
At the Offices of the District**

DIRECTORS PRESENT:

Theodore L. Ebenkamp, President
Barbara A. Carrera
Allen Wu (departed at 7:16 a.m.)
Scarlett Kwong

DIRECTORS ABSENT:

Edwin Hilden

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
Andrew Turner, Legal Counsel

The meeting was called to order at 7:02 a.m. with President Ebenkamp presiding.

There were no guests in attendance.

Item 3: Public Comment –President Ebenkamp

- ◆ There were no requests.

Item 4: Treasurer’s Report

- ◆ Due to continued technical issues, the Treasurer’s Report was not available for Board review. Mr. Teuber noted the report will be presented at an upcoming Board meeting.

Item 5: Drought Impacts on Future Rate Revenues

- ◆ The Board received a copy of the District’s Policy Objectives for Guiding Rate Design (adopted November 2013) and an analysis of three scenarios, each scenario factoring a reduction in water sales in the amounts of 15%, 25%, and 30% (relative to 2013) for the next six consecutive years, and taking into consideration existing and possible future rates, reserve funding and debt coverage ratios.
- ◆ Following discussion of the presented information, the Board was asked to consider, for the next workshop, modifications to the current Board-selected rate setting principles and/or rate structure model.

Item 6: January 1, 2016 Proposed Rate Increase

- ◆ The Board was asked to consider approval of a water rate adjustment in the near future and in keeping with past timetables for such increases, effective January 1, 2016, to address MWD/TVMWD rate increases, reserve funding, and long-term capital project funding. Staff made note that the proposed increase falls within the parameter of the approved five-year rate plan adopted in November 2014. In addition, the Board was informed of the necessity to approve a rate increase by the end of October for timely customer notice.
- ◆ Due to the absence of Directors Hilden and Wu, staff was directed, by consensus of the Board, to relay the information presented at the workshop to them and to agendaize consideration of a January 1, 2016, rate increase for an upcoming October workshop.

Adjournment at 7:56 a.m.

Motion No. 15-09-831: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and unanimously carried (3-0), to adjourn the meeting.*

President Ebenkamp indicated Motion No. 15-09-831 was approved by a (3-0) vote