

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

**January 17, 2013
At the Offices of the District**

DIRECTORS PRESENT:

Edwin M. Hilden, President
Edwin M. Hilden
Barbara A. Carrera
Theodore L. Ebenkamp
Scarlett P. Kwong
Allen L. Wu

STAFF PRESENT:

Mike Holmes, General Manager
Erik Hitchman, Assistant General Manager/Chief Engineer
Sandra Olson, Director of Administrative Services
Brian Teuber, Director of Finance
Gabriela Sanchez, Executive Secretary
Tim Gosney, Legal Counsel

DIRECTORS ABSENT:

None

The meeting was called to order at 4:00 p.m. with President Hilden presiding.

Guests and others in attendance: None

Item 3: Public Comment – President Hilden

- ◆ There were no requests to make public comment.

Item 4: Approval of Payment for Purchased Water for December 2012

- ◆ The Board was apprised of the purchased water charges for the month of December and was asked to approve payment to Three Valley Municipal Water District in the amount of \$899,603.07 (Check No. 5647) and to the Pomona-Walnut-Rowland Joint Water Line in the amount of \$534,497.59 (Check No. 5648).

Motion No. 13-01-431: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Carrera and unanimously carried (5-0), to approve payment of purchased water for the month of December 2012 to Three Valleys Municipal Water District in the amount of \$899,603.07 (Check No 5647), and to the Pomona-Walnut-Rowland Joint Water Line in the amount of \$534,497.59 (Check No. 5648). (Item 4)*

Item 5: Discussion Regarding Long-Term Debt Financing Options

- ◆ Discussion was held regarding the issuance of Puente Basin Water Agency water revenue bonds. Staff identified various projects proposed to be funded by portions of the bond financing proceeds. These projects include water rights acquisitions and construction of infrastructure improvements through the PBWA, the construction and remodeling of District headquarters and expansion of its recycled water system. Upon noting the project projected costs, the Board was informed that \$20 million dollars would be needed to finance the projects.
- ◆ The Board was then presented with financing term alternatives, including a 20-year, 25-year, and 30-year payback term. Each alternative and its potential impact on the District's rates and reserves were reviewed. Staff recommended that a term of 25-30 years would be the most beneficial to the District in terms of total interest cost and the impact of the annual debt service on the rates.
- ◆ The Board held discussion regarding generational equity and projected consumer water rates. After which, Board consensus was made to direct staff to proceed and use best judgment when electing between a 25-30 year term.
- ◆ A brief update was provided on the Clean Water, Clean Beaches Measure. President Hilden noted he and Director Ebenkamp attended the Los Angeles County Board of Supervisors public hearing on January 15, 2013 where, on behalf of the District, they submitted a letter expressing the District's opposition to the proposed measure.

Adjournment at 5:06 p.m.