

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

**March 21, 2013  
At the Offices of the District**

**DIRECTORS PRESENT:**

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

**STAFF PRESENT:**

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

**DIRECTORS ABSENT:**

Barbara A. Carrera

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

Guests and others in attendance: Mr. Tom Johnsen of Fieldman, Rolapp and Associates (via teleconference)

**Item 3: Public Comment – President Hilden**

- ◆ There were no requests to make public comment.

**Item 4: Update: PBWA Water Revenue Bonds, 2013 Series A (Walnut Valley Water District)**

- ◆ Mr. Tom Johnsen of Fieldman, Rolapp and Associates joined the Board meeting via teleconference.
- ◆ The Board was informed that on March 21, 2013, the PBWA Water Revenue Bonds, 2013 Series A (WVWD), went to market and were successfully sold within the parameters established by the Walnut Valley Board of Directors. It is expected that Bonds will close and proceeds will be received March 28, 2013. Mr. Johnsen indicated the term of the bonds was 25 years, with a true interest cost of 3.61% and an average annual debt service of \$1.223 million. The total bonds proceeds are \$19.995 million.
- ◆ As this was an informational item only, no Board action was required.

**Item 5: Discussion of the District's Rate Study Process**

- ◆ The Board was informed of the District's status pertaining to the current rate study process. It was noted that at the conclusion of the October 25, 2012 Special Board meeting, staff was given direction to solicit bids from qualified consultants to conduct a new rate study. As a result, a 'Requests for Proposals' (RFP) was prepared and sent to five qualified consultants. The scope of work outlined in the RFP segregated the rate study into two phases. Phase I consists of the development of rate setting principals and selection of a fundamental rate design. Phase II consists of the completion of a comprehensive rate study. A request was made for the consultant to conduct individual meetings with Directors for the purpose of obtaining input on their Board-established priorities. Legal Counsel cautioned that individual meetings between Board of Directors and consultants cannot substitute public discussion. The Board was provided with the detailed elements of the rate study, a general timeline and the evaluation criteria for the proposals. (Item 5)

**Item 6: Authorize the General Manger to Select a Consultant and Execute a Rate Study Contract**

- ◆ The Board was asked to authorize the General Manager to select a qualified consultant and execute a contract in a not-to-exceed amount (based on the proposals received) to complete a comprehensive rate study (as outlined in the Request for Proposals), and to authorize the appropriation from the General Fund.
- ◆ Staff informed the Board that five RFPs were received from qualified firms as of March 21, 2013, 2:00 p.m., and that staff would accordingly review the proposals and conduct meetings with the individual consulting firms in the near future.
- ◆ Director Ebenkamp felt it would be prudent for the Board to approve staff's recommendation for a rate consultant.

**Motion No. 13-03-459: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Wu and unanimously carried (4-0), to direct staff to present a recommendation pertaining to staff's selection of a qualified rate consultant at the April 18, 2013, 4:00 p.m. WVWD Regular Board Meeting. (Item 6)***

**Adjournment at 4:54 p.m.**