

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

**May 22, 2014
At the Offices of the District**

DIRECTORS PRESENT:

Barbara A. Carrera, President
Theodore L. Ebenkamp
Allen L. Wu (arrived at 4:18 p.m.)
Edwin Hilden

DIRECTORS ABSENT:

Scarlett P. 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
Carmen Fleming, Executive Assistant
Terry Lewis, Finance Manager
Tim Gosney, Legal Counsel

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

Guests and others in attendance: Three Valleys Municipal Water District James Linthicum; Mr. Sanjay Gaur of Raftelis Financial Consultants; and Mr. Alex Altman of CV Strategies

Item 3: Public Comment –President Carrera

- ◆ There were no requests.

Item 4: Review of 2013 Rate Model Study

- A. Mr. Sanjay Gaur evaluated four rate model scenarios demonstrating fixed revenue levels between the 24%-27% range. Following a detailed review of customer impacts and a five-year rate projection for each model scenario, the Board was asked to provide direction by recommending a level of fixed revenue for implementation into the District's comprehensive rate model study. The Board, by majority vote, directed staff to move forward with the 24% fixed revenue model.

Motion No. 14-05-632: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden, and carried (3-1), to implement a 24% fixed revenue level into the District's comprehensive rate model study by the following roll call vote:*

*Ayes: Carrera, Ebenkamp, Hilden
Noes: Wu
Abstain: None
Absent: Kwong*

(Item 4-A)

President Carrera indicated Motion No. 14-05-632 was approved by a 3-1 vote by the following roll call vote: (Ayes: Carrera, Ebenkamp, Hilden); (Noes: Wu); (Abstain: None); (Absent: Kwong)

Item 5: Fiscal Year 2014-15 Draft Budget Overview

- ◆ The Board viewed a PowerPoint presentation detailing the District's proposed FY 2014-2015 Budget. The presentation outlined the budget priorities, proposed cost-control efforts, major expenses, revenues and the Capital Improvement Plan budget.
- ◆ The Board and staff continued in discussion on a number of personnel-related and budget questions and observations.
- ◆ Following their review of budget materials, Board consensus was given to defer possible adoption of the proposed FY 2014-15 Budget to the June 16, 2014 Regular Board meeting (5:00 p.m.).

Motion No. 14-05-633: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden and unanimously carried (4-0), to adjourn the meeting.*

President Carrera indicated Motion No. 14-05-633 was approved by a 4-0 vote

Adjournment at 5:37 p.m.