

WALNUT VALLEY WATER DISTRICT  
271 South Brea Canyon Road  
Walnut, California 91789

SPECIAL BOARD MEETING  
MONDAY, DECEMBER 4, 2017, 4:00 P.M.  
AGENDA

**NOTE:** *To comply with the Americans with Disabilities Act, if you need special assistance to participate in any Board meeting, please contact the General Manager's office at least 4 hours prior to a Board meeting to inform the District of your needs and to determine if accommodation is feasible.*

*Each item on the agenda shall be deemed to include any appropriate motion, resolution, or ordinance, to take action on any item.*

*Materials related to an item on this agenda submitted after distribution of the agenda packet are available for public review during regular business hours at the District office, located at: 271 S. Brea Canyon Road, Walnut, California.*

1. Flag Salute
2. Roll Call: Mr. Ebenkamp\_\_\_\_\_ Mr. Hilden\_\_\_\_\_ Ms. Kwong\_\_\_\_\_ Ms. Lee \_\_\_\_\_ Dr. Wu\_\_\_\_\_
3. Public Comment President Wu  
The Presiding Officer of the Board of Directors may impose reasonable limitations on public comments to assure an orderly and timely meeting.
  - A. **Agenda Items** - Any person desiring to address the Board of Directors on any Agenda item may do so *at the time the item is considered on the Agenda* by requesting the privilege of doing so at this time and stating the Agenda item to be addressed. At the time the item is discussed, those requesting to speak will be called to do so.
  - B. **Non-Agenda Items** - At this time, the public shall have an opportunity to comment on any non-agenda item relevant to the jurisdiction of the District. Reasonable time limits on each topic and on each speaker are imposed in accordance with Board policy.
4. Additions to Agenda President Wu
  - A. Discussion
  - B. Action Taken
5. Reorder of Agenda President Wu
  - A. Discussion
  - B. Action Taken
6. Special Presentations President Wu
  - A. Presentation of Water Drop Award on the occasion of Ms. Gale Bricka's retirement from the District.

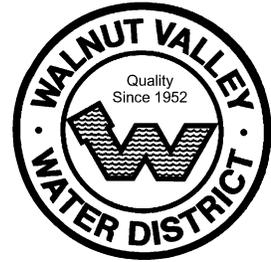
**OTHER ITEMS**

7. Board of Directors Business President Wu
  - A. Annual Review and Consideration of Revisions of Board Policies for Ethical Conduct Regarding Board of Directors Compensation and Expenses and Exhibits A, C, and F.
    - (1) Discussion
    - (2) Action Taken
  - B. Proposed Revisions to Board Reorganization Process
    - (1) Discussion
    - (2) Action Taken
  - C. Review of the Upcoming December 12 and December 18 Meetings (verbal)
8. Public Comment on Closed Session
9. Adjourn to Closed Session

10. Closed Session
  - A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION [§54956.9(d)(4)]  
Initiation of Litigation –Three Potential Cases
  - B. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (§54957)  
Title: General Manager
  
11. Reconvene in Open Session
  - A. Report of Action, if any, Taken in Closed Session
  - B. Consider Compensation Adjustment, if any, for General Manager
    - (1) Discussion
    - (2) Action Taken

Adjournment

# WVWD – Staff Report



**TO:** Board of Directors  
**FROM:** General Manager  
**SUBMITTED BY:** Director of Administrative Services  
**DATE:** December 4, 2017  
**SUBJECT:** Annual Review and Consideration of Revisions of Board Policies for Ethical Conduct Regarding Board of Directors Compensation and Expenses and Exhibits A, C, and F

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Action/Discussion     Fiscal Impact     Resolution     Information Only

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## Recommendation

That the Board review the Board Policies for Ethical Conduct Regarding Board of Directors Compensation and Expenses and its respective exhibits (as listed below), and determine whether to adopt any changes.

Policy/Exhibit		Last Reviewed by Board
Policies for Ethical Conduct Regarding Board of Directors Compensation and Expenses		Nov. 2016
Exhibit A	Meeting and Expense Report Form	Nov. 2016
Exhibit C	Guidelines for Board Compensated Meetings and Activities	Nov. 2016
Exhibit F	Meal Expense Reimbursement Schedule/Guidelines	Nov. 2016

## Background Information

As contained in the District's Policies for Ethical Conduct Regarding Board of Directors Compensation and Expenses,

“The Personnel Committee shall, on an annual basis in the fourth quarter of each calendar year, review Exhibit A, Exhibit C, and Exhibit F.”

Additionally, “this policy in its entirety shall be reviewed by the Board of Directors on an annual basis.”

The Personnel Committee, at their November 8, 2017, meeting, staff and Legal Counsel have conducted their annual review of the policies and exhibits. Legal counsel suggests a proposed revision to the “Policies for Ethical Conduct Regarding Board of Directors Compensation and Expenses” Section 1(B)(1)(b) of the Policies for Ethical Conduct Regarding Board of Directors Compensation and Expenses, as highlighted in the attached document (page 1).

The Personnel Committee, staff and Legal Counsel have no revisions to Exhibits A, C or F.

**POLICIES FOR ETHICAL CONDUCT**  
**REGARDING BOARD OF DIRECTORS COMPENSATION AND EXPENSES**

It is the policy of the Walnut Valley Water District ("District") that Board Members maintain the highest ethical standards of honesty and integrity. To assist Directors in meeting these standards there need to be clear policies guiding the Board with respect to compensation and expenses. These policies set forth the basic ethical standards for the members of the Board of Directors.

**I. COMPENSATION FOR ATTENDANCE AT CONFERENCES, MEETINGS, SEMINARS, AND OTHER EVENTS**

A. General Principles

1. Board members will be compensated at the daily rate (i.e., *per diem*) determined by the Board consistent with applicable law for attendance at meetings of the Board, including Board committee meetings, and for each day's service to the District, including travel time to and from conferences, meetings, seminars or other events, i.e., teleconferences, as set forth in these policies.
2. In addition to compensation for attendance, Directors will receive reimbursement for reasonable meals, lodging, and travel expenses incurred in attending Board approved activities in accordance with this policy.

B. Substantive Requirements

1. In order for a Board member to be paid a lawfully established *per diem* for attendance at a conference, organized educational activity, meeting, seminar, or other event, i.e., teleconference, or for reasonable and necessary travel time to and from, it must be:
  - a. A "meeting" as defined in subdivision (a) of Government Code Section 54952.2 of the Brown Act, which currently reads:

" 'meeting' includes any congregation of a majority of the members of a legislative body at the same time and place to hear, discuss, or deliberate upon any item that is within the subject matter jurisdiction of the legislative body or the local agency to which it pertains," or
  - b. A committee meeting or other Board approved meeting, conference, organized educational activity, seminar, or other event, i.e., teleconference, related to or informing the Board member on matters within the jurisdiction of the statutory powers of the District, provided that the program or subject matter deals with substantive issues of importance to the District; and such other activities, seminars or other events that deal with substantive issues of importance to the District that are approved by the General Manager as specified in Exhibit "C".
2. For purposes of this policy, reasonable and necessary travel time, including overnight accommodations, shall include one day prior to and/or after a conference, meeting, seminar or other event provided:

Deleted: Refer also to "Exhibit "C."

- a. The conference, organized educational activity, meeting, seminar, or other event, i.e., teleconference, is held more than 50 miles from the District Office, or
  - b. Upon General Manager review, circumstances for attendance warrant an overnight stay either the evening prior to and/or following conclusion of the event.
3. Deviation, including full or partial cancellation, from Board approved attendance is subject to Personnel Committee review and the provisions set forth in Section I.B.2 of this policy. Following Committee review, should the matter be referred to the Board and the Board subsequently determines that prior authorization for attendance and/or payment of expenses be modified or rescinded, then those costs incurred by the District on behalf of the Director may be required to be repaid in accordance with the Board's decision.

4. Ten-Day Monthly Limit

Water Code Section 20202 permits compensation for attendance, i.e., per diem, for up to a total of ten (10) days in any calendar month. However, by Resolution No. 01-13-592 and Ordinance No. 01-13-593, the Board of Directors adopted a 7-day limit on per diem per calendar month—capped at \$150 per approved, compensable meeting.

C. Procedural Requirement

1. Written Compensation Request Required

Compensation for attendance at, and travel time to and from, conferences, organized educational activity, meetings, seminars or other approved events, i.e., teleconferences, will be paid only if the Board member submits a request for payment using the required District "Meeting and Expense Report Form" (Exhibit A), and provides the substantiation required by the District to ensure compliance with the Internal Revenue Service (IRS) Accountable Plan, as referenced in Exhibit B. Any reimbursement in excess of substantiated expenses must be refunded.

2. Board Approval

The required Board approval may be given either before or by ratification after the attendance and travel.

3. Disclosure of Compensation

A copy of each Director's completed "Meeting and Expense Report Form" shall, when submitted for payment of per diem or reimbursement of expenses, be presented to the Board of Directors at their next regular meeting for approval and, upon request, will be made available to the public.

## II. REIMBURSEMENT TO DIRECTORS FOR EXPENSES

### A. General Principles

1. Each member of the Board of Directors is encouraged to participate in those outside activities and organizations that in the judgment of the Board furthers the interests of the District.
2. Expenses incurred by Directors in connection with those activities set forth in the Guidelines for Board Compensated Meetings and Activities (Exhibit C) are reimbursable as noted when authorized in advance or subsequently ratified by the Board, subject to the following:
  - a. If Board ratification (after-the-fact approval) is necessary, then all initial costs for registration, travel, and attendance must be borne by the Director and use of a District-issued credit card for payment of any related expenses in advance of such approval is prohibited.
  - b. Upon Board ratification, the Director must submit a reimbursement request in accordance with Section I,C,1 of this policy.
3. This policy is intended to result in no personal gain or loss to a Director.
  - a. All expenses must be reasonable and necessary, and Directors are encouraged to exercise prudence in all expenditures.
  - b. Reimbursement will be made only for actual disbursements and expenses that qualify as reimbursable expenses.
  - c. Expenses that are improper or otherwise not properly accounted for, or not consistent with the prohibition against gifts of public funds set forth in the California Constitution, will not be reimbursed or accepted by the District.
  - d. Where such improper expenses have been paid by the District, they will be promptly refunded to the District or deducted from monies otherwise due a Director in accordance with the Treasury "Safe Harbor" 120-day provision for an IRS Accountable Plan (Exhibit B).

### B. Substantive Requirements

#### 1. Transportation Expenses

Directors will be reimbursed for expenses incurred in traveling to and from Board authorized conferences, organized educational activity, meetings, seminars, and other events, i.e., teleconferences, attended on behalf of the District in their capacity as Directors, subject to Section 2 below and the provisions of this policy.-

Mileage reimbursement will be limited to attendance at those events held outside the District's service area.

Map Quest or another comparable website that accurately provides distance information will be used to verify mileage from the District to the location of an

event for which a request for mileage reimbursement is requested, with a 5-mile deviation being allowed in consideration of those instances when a given route might deviate from the norm due to traffic congestion, road construction, etc. If the deviation is greater than 5 miles, staff will verify the reason with the Director and note the explanation on the expense form.

## 2. Mode of Travel

- a. Directors must use the most economical mode and class of transportation reasonably consistent with scheduling needs and space requirements and the most direct and time-efficient route.
  - i. When an extension in travel beyond the time required for District business results in increased costs to the District, the Director shall be responsible for the increased costs and any other related expenses.
  - ii. Upon approval of the General Manager, exceptions to the above requirements may be made for extenuating circumstances, such as, delayed or canceled flights, inclement weather, medical necessity, or personal hardship.
- b. Directors are encouraged to discuss their travel needs as early as possible with District staff, who may make all final travel arrangements in accordance with the following:
  - i. Authorized travel expenses include round-trip airfare where necessary, actual reasonable expenses for ground transportation to and from airports, hotels, off-site meetings, restaurants, and automobile expense. Where possible, government or group rates should be used.
- c. Automobile Expenses
  - i. Car Rental – Directors shall be reimbursed for the cost of a rental car in the conduct of District business provided all JPIA driver eligibility, insurance, and program requirements have been complied with (Exhibit E).
  - ii. Use of privately-owned vehicles - Directors shall be reimbursed for use of privately-owned vehicles in the conduct of District business at the maximum allowable per mile rate established from time-to-time by the IRS, and subject to the provisions of this policy and provided all JPIA requirements have been complied with (Exhibit E).
  - iii. Use of District Vehicles – Directors shall not drive a District vehicle.

## 3. Meal Expense

Directors shall be reimbursed for the reasonable cost of meals, including tips, in conjunction with approved conferences, organized educational activity, meetings, seminars, and other events, i.e., teleconferences, and in the course of travel to and from subject to the following:

- a. Reimbursement must be in accordance with the criteria set forth in the District's Meal Expense Reimbursement Schedule/Guidelines, attached hereto as Exhibit F.
- b. Expenses incurred by or for a spouse, family member, or guest of a Director in connection with the Director's service or travel will not be allowed or reimbursed.

4. Overnight Accommodations

- a. Where reasonably possible, overnight accommodations shall be obtained in close proximity to the conference, seminar, or meeting site and at group rates published for such activity by the sponsor, if available.
- b. No reimbursement shall be made for overnight accommodations for attendance at conferences, meetings, seminars, and other events held within 50 miles of the District office.

5. Parking

- a. Airport Parking - Long-term parking is encouraged for travel exceeding 24 hours, subject to time constraints, safety concerns, and inclement weather.<sup>8</sup>
- b. Hotel/Other Parking – Self-parking is encouraged, subject to time constraints, safety concerns, and inclement weather.

6. Communication Expenses

Telephone, facsimile, Internet, overnight, and/or courier expenses incurred in connection with approved District business will be reimbursed in accordance with this policy.

C. Procedural Requirements

1. Requests for Reimbursement

- a. Upon incurring authorized expenses, Directors may submit a request for reimbursement. All requests for reimbursement shall be submitted, using the District's Meeting and Expense Report Form, by the first Friday of the month following the month in which the expenses were incurred and shall include substantiation required by Exhibit B.
- b. Rather than reimbursing a Director for expenses after they have been incurred, the District may pay such expenses directly, so long as such payments are made in accordance with this policy.

2. Use of District Credit Card

The District may authorize the issuance of a credit card in the Board member's name to be used solely for purposes of paying for approved travel and related expenses permitted pursuant to this policy or for security purposes to verify travel-related information.

- a. District issued credit cards shall remain in the District vault until such time as needed. A Director may check out his/her credit card for District-approved business, travel, or other related expense a maximum of two business days (48 hours) in advance of scheduled use and should return the credit card to the District for safekeeping within two business days (48 hours) following the approved business use.
- b. Exceptions to this requirement may be authorized by the General Manager or designee.

3. Director Reports to Governing Board

At the District governing body meeting following the conference, organized educational activity, meeting, seminar, or other event, i.e., teleconference, attended at District expense, the Director attending shall provide a brief written, oral, or joint report on attendance and the subject matter. If multiple Directors attend the same function, a joint report may be made.

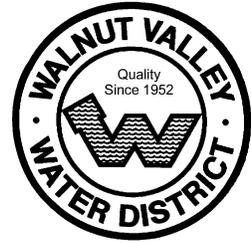
4. District Records of Expense Reimbursements

To implement the reporting requirements of Government Code Section 53065.5, the District shall disclose at least annually in a public record all reimbursements paid by the District to each Director for each individual charge of \$100 or more.

**III. GOVERNING BOARD REVIEW**

- A. The Personnel Committee shall, on an annual basis in the fourth quarter of each calendar year, review the following:
  1. Exhibit A – Meeting and Expense Report Form
  2. Exhibit C – Guidelines for Board Compensated Activities
  3. Exhibit F – Meal Expense Reimbursement Schedule/Guidelines
- B. This policy in its entirety shall be reviewed by the Board of Directors on an annual basis.

# WVWD – Staff Report



**TO:** Board of Directors  
**FROM:** General Manager  
**DATE:** December 4, 2017  
**SUBJECT:** Proposed Revisions to Board Reorganization Process

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Action/Discussion       Fiscal Impact       Resolution       Information Only

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## **Recommendation**

That the Board of Directors consider revising the policy for the Board's Reorganization Process.

## **Background**

The District's Bylaws state that District officers shall be a President, Vice-President(s), Secretary, and Treasurer, and such other officers as may be elected and appointed by the Board from time-to-time. The Bylaws further state that, at the December meeting of the Board in each calendar year; "the Board shall organize and elect a President and Vice-President from among its own members..."

The Board's policy (adopted in December 2008) in part states "...the implementation of a policy for the annual Board reorganization process includes an automatic rotation of Board members to serve as President, excepting that no member with less than two years' service may serve as President of the Board."<sup>1</sup>

## **Discussion**

A request has been made to consider revising this process. The proposed revisions would apply when a Board member defers becoming President due to health, availability, or some other reason.

District's Legal Counsel has made proposed revisions (see attached redline) to the current policy for Board review and discussion.

Attachment: Board Reorganization Process—Rotation Policy (December 2008)

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<sup>1</sup> See District's Board Reorganization Process (adopted December 15, 2008).

# WALNUT VALLEY WATER DISTRICT Board Reorganization Process

## Rotation Policy

The District's Bylaws state that District officers shall be a President, Vice-President(s), Secretary, and Treasurer, and such other officers as may be elected and appointed by the Board from time-to-time. The Bylaws further state that, at the December meeting of the Board in each calendar year, the Board shall organize and elect a President and Vice-President from among its own members and shall appoint a Secretary and a Treasurer who shall not be members of the Board. Interim reorganization may be undertaken by the Board as deemed necessary.

The Board of Directors, at its November 17, 2008, meeting, approved the implementation of a policy for the annual Board reorganization process to include an automatic rotation of Board members to serve as president, excepting that no member with less than two years' service may serve as president of the Board. Subject to the exceptions noted below, the new Board President rotation procedure will be as follows:

- The first vice president becomes president
- The second vice president becomes first vice president
- The assistant treasurer becomes second vice president
- The "director" member becomes assistant treasurer
- The president moves to the "director" position

The Board of Directors, by majority vote, may act to revise the foregoing rotation for any year.

### Exception No. 1

No director with less than two years<sup>1</sup> service on the Board may become president

### Exception No. 2

Newly elected/appointed officials shall hold the "director" position during their first year. When two or more new directors are elected at the same time, the Director receiving the highest percentage of votes will have seniority, or, if an equal percentage of votes is received, seniority will be determined by coin toss.

### Exception No. 3

On a one-year basis, the first vice president may forego his or her ascension to the presidency and may remain as the first vice president, with the second vice president then ascending to president, and the other directors moving to their next positions in accordance with the rotation specified above. If the existing first vice president, in a second consecutive year, does not desire to ascend to president, then for the next year, the existing first vice president will rotate to the "director" position, the existing president will rotate to assistant treasurer, the existing second vice president will rotate to president, the existing assistant treasurer will rotate to first vice president and the existing "director" member will rotate to second vice president.

<sup>1</sup> The minimum two-year term required before a Board member will be eligible to serve as president shall begin on the date the member is sworn in and end on the same day of the month two years later.

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