

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

**February 20, 2018  
At the Offices of the District**

**DIRECTORS PRESENT:**

Theodore L. Ebenkamp  
Edwin Hilden  
Scarlett Kwong (via Skype from Taiwan)  
Theresa Lee  
Allen Wu

**DIRECTORS ABSENT:**

None.

**STAFF PRESENT:**

Michael Holmes, General Manager  
Erik Hitchman, Assistant General Manager/Chief Engineer  
Brian Teuber, Director of Finance  
Sandy Olson, Director of Administrative Services  
Joshua Byerrum, Accounting Manager  
Donna DiLaura, Executive Secretary  
Jim Ciampa, Legal Counsel

The meeting was called to order at 5:00 p.m. with President Ebenkamp presiding.

Guests and others in attendance: Three Valleys Municipal Water District Director Joe Ruzicka, and Three Valleys Municipal Water District Chief Financial Officer Mr. James Linthicum.

**Item 3: Public Comment**

- ◆ There were no requests. (Item 3)

**Item 4: Additions to the Agenda**

- ◆ There were no requests. (Item 4)

**Item 5: Reorder of Agenda**

- ◆ There were no requests. (Item 5)

**Item 6: Special Presentations**

- ◆ Ms. Olson introduced Mr. Gabriel Lievanos, Utility Services Lead, and announced that Mr. Lievanos has completed the JPIA Professional Development Program, in both Operations and Supervisor Basics. Mr. Holmes noted that Mr. Lievanos also recently earned his Class A Driver's License. The Board commended Mr. Lievanos on his hard work and congratulated him on completing the programs. Additionally, the Board presented him with a plaque from JPIA.
- ◆ Ms. Olson introduced Mr. Joshua Byerrum, Accounting Manager, to the Board.
- ◆ The Board presented the Water Drop Award to Ms. Shannon Serna on the occasion of her upcoming retirement, and thanked her for her many years of service to the District. (Item 6-C)

**Item 7: Consider Approval of Consent Calendar**

- ◆ The Board was asked to approve the Consent Calendar, including: the minutes of the Regular Board meeting held January 16, 2018 and the special Board meeting held January 18, 2018, the check register, the WVWD Employee Expense Reimbursement Report, and the Community Outreach Update. (Items 7-1, 2, 3, 4, 5 and 6)

***Motion No. 18-02-1189: Upon consideration thereof, it was moved by Director Lee, seconded by Director Hilden and unanimously carried (5-0), to approve the Consent Calendar, including the minutes of the regular Board meeting held January 16, 2018 (as corrected), and special Board meeting held January 18, 2018, the check register, the WVWD Employee Expense Reimbursement Report, and the Community Outreach Update. (Items 7-1, 2, 3, 4 and 5)***

**President Ebenkamp indicated Motion No. 18-02-1189 was approved by a (5-0) vote**

**Item 8: Director Expense Reports**

- ◆ The Board was asked to receive, approve, and file the Board member expense reports indicating per diem requests for meeting attendance and the individual reports of additional expenses incurred by the District on behalf of each Director for events occurring during January 2018. (Item 8)

***Motion No. 18-02-1190: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Lee and unanimously carried (5-0), to receive, approve, and file the Board member expense reports for meeting attendance and additional expenses incurred by the District on behalf of each Director for events occurring during the month of January 2018. (Item 8)***

**President Ebenkamp indicated Motion No. 18-02-1190 was approved by a (5-0) vote**

**Item 9: Treasurer's Report**

- ◆ Mr. Teuber reviewed the District Statement of Revenues, Expenses, and Change in Net Assets as of January 31, 2018; the District's Statement of Net Assets as January 31, 2018; and the Summary of Cash Investments as of January 31, 2018. (Items 9 A-C)

**Motion No. 18-02-1191:** *Upon consideration thereof, it was moved by Director Lee, seconded by Director Hilden and unanimously carried (5-0), to receive, approve, and file the District's Statement of Revenues, Expenses, and Change in Net Assets as of January 31, 2018, the District's Statement of Net Assets as of January 31, 2018, and the Summary of Cash and Investments as of January 31, 2018. (Item 9)*

**President Ebenkamp indicated Motion No. 18-02-1191 was approved by a (5-0) vote**

### **Committee Chair Reports**

#### **Item 10: Engineering & Special Projects Committee – Director Lee**

- ◆ The Board was asked to authorize the General Manager to execute Change Order No. 5, for \$66,891.54 for the ACE Fairway Grade Separation – Change Order No 5 (P.N. 12-3262). (Item 10-A)

**Motion No. 18-02-1192:** *Upon consideration thereof, it was moved by Director Lee, seconded by Director Wu and unanimously carried (5-0), to authorize the General Manager to execute Change Order No. 5 for \$66,891.54 for the ACE Fairway Grade Separation – Change Order No 5 (P.N. 12-3262). (Item 10-A)*

**President Ebenkamp indicated Motion No. 18-02-1192 was approved by a (5-0) vote**

- ◆ The Board was asked to consider approval of the Puente Basin Water Agency Pathfinder Road Pipeline and Intertie Project – Project Agreement No. 4 – Pathfinder Road 20-Inch Pipeline and Interties Agreement. (Item 10-B)

**Motion No. 18-02-1193:** *Upon consideration thereof, it was moved by Director Lee, seconded by Director Ebenkamp and unanimously carried (5-0), to authorize the General Manager to execute the Puente Basin Water Agency Pathfinder Road Pipeline and Intertie Project – Project Agreement No. 4 – Pathfinder Road 20-Inch Pipeline and Interties Agreement. (Item 10-B)*

**President Ebenkamp indicated Motion No. 18-02-1193 was approved by a (5-0) vote**

#### **Item 11: Personnel Committee – Director Hilden**

- ◆ The Board was asked to review and consider adopting the proposed Injury Illness Prevention Program (IIPP) and Safety Committee policy updates in conjunction with policy recommendations made by the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA) (Item 11-A)

**Motion No. 18-02-1194:** *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu and unanimously carried (5-0), to adopt the proposed Injury Illness Prevention Program (IIPP) and Safety Committee Policy updates as presented. (Item 11)*

**President Ebenkamp indicated Motion No. 18-02-1194 was approved by a (5-0) vote**

- ◆ The Board was asked to review and consider adopting the proposed Heat Illness Prevention Program as recommended by ACWA/JPIA (Item 11-B)

**Motion No. 18-02-1195:** *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu and approved by a 4-1 vote, with Director Lee opposed, to adopt the proposed Heat Illness Prevention Program as presented. (Item 11)*

**President Ebenkamp indicated Motion No. 18-02-1195 was approved by a 4-1 vote, with Director Lee opposed**

- ◆ The Board received an update on current District recruitment. As this was an informational item only, Board action was not needed. (Item 11-C)

#### **Item 12: Finance Committee – Director Wu**

- ◆ Mr. Jayson Schmitt of Chandler Asset Management reviewed current economic conditions and provided an update on the firm's investment activities on behalf of the District. The Board was asked to receive and file Mr. Schmitt's report. (Item 12-A)

**Motion No. 18-02-1196:** *Upon consideration thereof, it was moved by Director Wu, seconded by Director Lee and unanimously carried (5-0), to receive and file Mr. Schmitt's report. (Item 12-A)*

**President Ebenkamp indicated Motion No. 18-02-1196 was approved by a (5-0) vote**

- ◆ The Board was asked to approve the Transfer of Funds, in the amount of \$343,690, for the Cost-of-Living-Adjustment "COLA" Buyback. (Item 12-B)

**Motion No. 18-02-1197:** *Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried (5-0), to approve Transfer of Funds for Cost-of-Living-Adjustment “COLA” Buyback in the amounts presented to the Board of Directors. (Item 12-B)*

**President Ebenkamp indicated Motion No. 18-02-1197 was approved by a (5-0) vote**

- ◆ The Board was asked to receive, approve, and file the January 2018 Consolidated Investments Transaction Report included in the Board packet. (Item 12-C)

**Motion No. 18-02-1198:** *Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried (5-0), to receive, approve, and file the District’s Consolidated Investment Transactions Report for the period of January 1, 2018 through January 31, 2018. (Item 12-C)*

**President Ebenkamp indicated Motion No. 18-02-1198 was approved by a (5-0) vote**

- ◆ Mr. Teuber reviewed the Revenue Bond Funds Held in Trust and detailed disbursement of bond proceeds report through January 31, 2018. As this was an informational item only, Board action was not needed. (Item 12-D)
- ◆ The Board was asked to declare the fully depreciated equipment listed in the Staff Report included in the Board packet as surplus property, and to authorize disposal of such surplus property in accordance with District policy. (Item 12-E)

**Motion No. 18-02-1199:** *Upon consideration thereof, it was moved by Director Wu, seconded by Director Lee and unanimously carried (5-0), to declare as surplus property the items listed in the Staff Report included in the Board packet, and to authorize disposal of such surplus property in accordance with District policy. (Item 12-E)*

**President Ebenkamp indicated Motion No. 18-02-1199 was approved by a (5-0) vote**

### **Item 13: Public Information/Community Relations/Legislative Action Committee – Director Wu**

- ◆ The Board received an update on AB 1876 (Frazier – Delta Stewardship Council) - OPPOSE. As this was an informational item only, Board action was not needed. (Item 13-A)
- ◆ The Board received an update on California Long-term Water Conservation legislation, including State Water Resources Control Board proposed rulemaking and AB 1668 (Friedman) and SB 606 (Skinner/Hertzberg). As this was an informational item only, Board action was not needed. (Item 13-B)
- ◆ The Board received an update on a Budget Trailer Bill: Safe and Affordable Drinking Water Act (based on SB 623 – Monning – Public Goods Charge). As this was an informational item only, Board action was not needed. (Item 13-C)
- ◆ The Board received an update on SB 998 (Dodd): Water Shutoffs Urban and Community Water Systems. As this was an informational item only, Board action was not needed. (Item 13-D)

### **Other Items**

#### **Item 14: TVMWD/MWD – Director Hilden**

- ◆ The Board received the TVMWD ‘Action Line’ report for the Board meeting held on January 17, 2018. (Item 14-A)
- ◆ The Board received the TVMWD Calendar Year 2018 Board Reorganization. (Item 14-B)
- ◆ The Board received the TVMWD Calendar Year 2018 Board Appointments. (Item 14-C)
- ◆ The Board received an update on the California WaterFix. (Item 14-D)
- ◆ At the request of Director Hilden, Three Valleys Municipal Water District (TVMWD) Director Joe Ruzicka provided a report relative to general information on TVMWD Board member and electoral Divisions. (Item 14-E)

#### **Item 15: The P-W-R Joint Water Line Commission**

- ◆ Mr. Hitchman reviewed the P-W-R Joint Water Line Commission water use reports for the month of January included in the Board packet. (Item 15)

#### **Item 16: Puente Basin Water Agency – Director Lee**

- ◆ The Board received a brief summary of action items from the February 8, 2018 meeting. (Item 16)

#### **Item 17: General Manager’s Report**

- ◆ The Board received a follow-up report on prior Board actions. (Item 17-A)
- ◆ The Board received the District’s activities calendars for March, April and May 2018. (Item 17-B)
- ◆ The Board received a report on the awarding of a Department of Water Resources DRAFT Funding Recommendations for the Spadra Basin Groundwater Sustainability Agency’s grant.
- ◆ Ms. Olson reported that the District did not have any Workers Compensation claims for calendar year 2017.

**Item 18: Water Supply and Drought**

- ◆ The Board received a report on the District's drought and water conservation outreach efforts. (Item 18-A)
- ◆ The Board received reports and graphs of the following items: District potable and recycled water use, FY 2017-18 purchase water projections, conservation goal summary, 2017-18 climate summary, and 2018 monthly water consumption versus the 2013 baseline year. Staff made note that the District's water usage for January 2018 was 11.57% higher than usage in January 2013. (Item 18-B)
- ◆ The Board viewed reports on California's water supply and reservoir conditions as of February 13, 2018. (Item 18-C)

**Item 19: Directors' Oral Reports**

(NOTE: Board meeting Minutes provide written reports of Board meeting activities and committee meeting reports are given during the course of regular Board meeting activities. Directors include reports of their participation in non-expense/per diem paid community events as a matter of information.) (Item 19)

- ◆ In addition to the District committee and Board meetings, Director Wu reported that he had a meeting with the General Manager regarding a personnel issue, participated in a Water Research Foundation Webcast, and attended the District's Annual Employee Awards Banquet.
- ◆ In addition to District committee and Board meetings previously reported, Director Hilden stated that he attended two TVMWD Board meetings, the District's Annual Employee Awards Banquet, and the TVMWD Leadership Breakfast.
- ◆ As noted on her expense report, in addition to attending District committee and Board meetings, Director Lee also attended the Puente Basin Water Agency (PBWA) Commission meeting, the District's Annual Employee Awards Banquet, and the United Abacus Arithmetic Association Global Cup Competition.
- ◆ Director Kwong reported that she attended the District committee and Board meetings.
- ◆ In addition to District committee and Board meetings previously reported, Director Ebenkamp noted his attendance at two TVMWD Board meetings, a PBWA Commission meeting, and Ethics Training.

**Item 20: Legal Reports**

- ◆ Mr. Ciampa deferred his report to Closed Session. (Item 20)

**Item 21: Items for Future Discussion**

- ◆ As a general request, Director Wu asked that "blue lined"/hyperlinked versions of the Board meeting agenda be available for reference on the dais.

**Item 22: Board of Directors Business**

- ◆ The Board was provided with a 2017 Board and Committee Task Summary for informational purposes only. This summary was prepared at the request of Director Wu. (Item 22-A)
- ◆ The Board was asked to receive and file the P-W-R Joint Water Line and Puente Basin Water Agency audits for Fiscal Year Ending June 30, 2017. (Item 22-B)
- ◆ ***Motion No. 18-02-1200: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Hilden, and unanimously carried (5-0) to receive and file the P-W-R Joint Water Line and Puente Basin Water Agency audits for Fiscal Year Ending June 30, 2017. (Item 22-B)***

**President Ebenkamp indicated Motion No. 18-02-1200 was approved by a (5-0) vote**

**Item 23: Public Comment on Closed Session**

- ◆ There were no requests to comment on either open or closed session items. (Item 23)

**Item 24: Adjourn to Closed Session – 7:10 p.m. (Item 24)****Item 25: Closed Session (Board addressed Item B, then Item A)**

- A. The Board met in closed session in accordance with Government Code [§54956.9(d)(4)] to discuss anticipated litigation matters with Legal Counsel – Four Potential Cases. (Item 25-A)
- B. The Board met in closed session in accordance with Government Code [§54957.6] to conduct Labor Negotiations with District Designated Representatives and Prospective General Manager.

**Item 26: Reconvene in Open Session/Report of Action Taken in Closed Session – 8:23 p.m.**

- A. The Board met in closed session in accordance with Government Code [§54956.9(d)(4)] to discuss four anticipated litigation matters with Legal Counsel. The Board was briefed on the facts and circumstances of those four matters and no reportable action under the Brown Act was taken on these matters. (Item 25-A)
- B. The Board met in closed session in accordance with Government Code [§54957.6] to conduct Labor Negotiations with District Designated Representatives and Prospective General Manager. Legal Counsel reported the District's Designated Representatives were given direction to continue discussions at the February 22, 2018 Board workshop. (Item 25-B)

**Adjournment at 8:23 p.m.**

***Motion No: 18-02-1201 Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu and unanimously carried (5-0), to adjourn the meeting.***

**President Ebenkamp indicated Motion No. 18-02-1201 was approved by a (5-0) vote**