

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

**October 15, 2018
At the Offices of the District**

DIRECTORS PRESENT:

Theodore L. Ebenkamp
Edwin Hilden
Scarlett Kwong
Theresa Lee
Allen Wu

DIRECTORS ABSENT:

All present

STAFF PRESENT:

Erik Hitchman, General Manager/Chief Engineer
Sandy Olson, Director of Administrative Services
Sherry Shaw, Director of Engineering
Dave Johnson, Director of Operations
Donna DiLaura, Executive Secretary
Yesenia Garduno, Customer Service Representative I
Jim Ciampa, Legal Counsel
Sara Rodriguez, Customer Service Manager

The meeting was called to order at 5:01 p.m. with President Ebenkamp presiding.

Guests and others in attendance: Three Valleys Municipal Water District (TVMWD) Directors David DeJesus and Joe Ruzicka, and TVMWD Assistant General Manager Matthew Litchfield. Also present were Ms. Denise Jackman and Ms. Lynette Marantz, members of the public. Additionally, Dr. Julie Mitchell, Superintendent, Rowland Unified School District, Mr. Mike Ward, Assistant Principal, Rowland High School (RHS), and Ms. Tracy Taylor, teacher at RHS, and a number of her students were present. Walnut High School Principal Mr. Brandon Dade, attended the meeting, along with Walnut Valley Unified School District Deputy Superintendent Mr. Matthew Whitmer, and several students from Diamond Bar High School.

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 Recognition

- ◆ Representatives of Diamond Bar, Rowland, and Walnut High Schools received checks in the amount of \$675 for their assistance in the District's High Efficiency Toilet (HET) distribution program held earlier this year. (Item 6-A)
- ◆ Ms. Olson introduced Ms. Yesenia Garduno, Customer Service Representative I, on the occasion of her completing the probationary period for new employees. (Item 6-B)

Item 7: Presentation by Mr. Nick Franceshine, F.S.A., North Bay Pensions LLC

- ◆ The Board was asked to receive and file the presentation on the District's Other Post-Employment (OPEB) GASB 75 Valuation of Retiree Health Benefits Report as of July 31, 2018. (Item 7)

Motion No. 18-10-1282: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Wu and unanimously carried (5-0), to receive and file the OPEB GASB 75 Valuation of Retiree Health Benefits Report as of July 31, 2018, as modified by Mr. Franceshine. Modifications were format related only and not substantive. (Items 7)

President Ebenkamp indicated Motion No. 18-10-1282 was approved by a (5-0) vote

Item 8: Consider Approval of Consent Calendar

- ◆ The Board was asked to approve the Consent Calendar, including: the minutes of the regular Board meeting held September 17, 2018, the minutes of the special Board meeting held September 20, 2018, the check register, Employee Expense Reimbursement Report and the Community Outreach Update. (Items 8-1, 2, 3, 4 and 5)

Motion No. 18-10-1283: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Hilden and unanimously carried (5-0), to approve the Consent Calendar, including the minutes of the regular Board meeting held September 17, 2018, the minutes of the special Board meeting held September 20, 2018, the check register, Employee Expense Reimbursement Report and the Community Outreach Update. (Items 8-1, 2, 3, 4 and 5)

President Ebenkamp indicated Motion No. 18-10-1283 was approved by a (5-0) vote

Item 9: 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 September 2018. (Item 9)

Motion No. 18-10-1284: 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 September 2018. (Item 9)

President Ebenkamp indicated Motion No. 18-10-1284 was approved by a (5-0) vote

Item 10: Treasurer's Report

- ◆ Mr. Hitchman presented the District's Statement of Revenues, Expenses, and Change in Net Assets as of September 30, 2018; the District's Statement of Net Assets as of September 30, 2018; and the Summary of Cash and Investments as of September 30, 2018. (Items 10 A-C)

Motion No. 18-10-1285: Upon consideration thereof, it was moved by Director Lee, seconded by Director Wu and unanimously carried (5-0), to receive, approve, and file the District's Statement of Revenues, Expenses, and Change in Net Assets as of September 30, 2018, the District's Statement of Net Assets as of September 30, 2018, and the Summary of Cash and Investments as of September 30, 2018. (Item 10 A-C)

President Ebenkamp indicated Motion No. 18-10-1285 was approved by a (5-0) vote

Committee Chair Reports**Item 11: Engineering Committee – Director Lee**

- ◆ The Board was asked to authorize the General Manager to execute a contract for labor and materials to Doty Bros Equipment Co. in the amount of \$965,100.00 (labor portion) for the Water Distribution System for Industry Business Center (IBC) – West (P.N. 14-3373), to find the project is exempt pursuant to CEQA Guidelines Categorical Exemption Section 15301; and to authorize staff to file a Notice of Exemption for the subject project with the Office of the Los Angeles County Registrar-Recorder/County Clerk. (Item 11-A)

Motion No. 18-10-1286: 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 a contract for labor and materials to Doty Bros Equipment Co. in the amount of \$965,100.00, for the Water Distribution System Industry Business Center (IBC) – West (P.N. 14-3373), to find the project is exempt pursuant to CEQA Guidelines Categorical Exemption Section 15301; and to authorize staff to file a Notice of Exemption for the subject project with the Office of the Los Angeles County Registrar-Recorder/County Clerk.. (Item 11-A)

President Ebenkamp indicated Motion No. 18-10-1286 was approved by a (5-0) vote

- ◆ The Board was asked to accept the work as installed, and approve filing of a Notice of Completion for two Major Contracts: Water Distribution System for Tract 49059 (P.N. 16-3430) and Oakleaf Canyon Reservoirs Coating (P.N. 17-3501). (Item 11-B)

Motion No. 18-10-1287: Upon consideration thereof, it was moved by Director Lee, seconded by Director Wu and unanimously carried (5-0), to accept the work as installed and approve filing of a Notice of Completion for two Major Contracts: Water Distribution System for Tract 49059 (P.N. 16-3430) and Oakleaf Canyon Reservoirs Coating (P.N. 17-3501). (Item 11-B)

President Ebenkamp indicated Motion No. 18-10-1287 was approved by a (5-0) vote

- ◆ The Board was asked to authorize the General Manager to execute the Los Angeles County Water Agency Assistance Agreement. (Item 11-C)

Motion No. 18-10-1288: Upon consideration thereof, it was moved by Director Lee, seconded by Director Kwong and unanimously carried (5-0), to authorize the General Manager to execute the Los Angeles County Water Agency Assistance Agreement. (Item 11-C)

President Ebenkamp indicated Motion No. 18-10-1288 was approved by a (5-0) vote

- ◆ The Board was asked to authorize the General Manager to execute the 2017 Proposition 1 Sustainable Groundwater Planning Grant. (Item 11-D)

Motion No. 18-10-1289: Upon consideration thereof, it was moved by Director Lee, seconded by Director Hilden and unanimously carried (5-0), to authorize the General Manager to execute the 2017 Proposition 1 Sustainable Groundwater Planning Grant. (Item 11-D)

President Ebenkamp indicated Motion No. 18-10-1289 was approved by a (5-0) vote

- ◆ The Board was asked to receive and file the Puente Basin Watermaster Annual Report for Fiscal Year 2017-18. (Item 11-E)

Motion No. 18-10-1290: Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried (5-0), to receive and file the Puente Basin Watermaster Annual Report for Fiscal Year 2017-18. (Item 11-E)

President Ebenkamp indicated Motion No. 18-10-1290 was approved by a (5-0) vote

- ◆ Director Lee referenced the Operations Report included in the Board packet. As this was an informational item only, Board action was not needed. (Item 11-F)

Item 12: Personnel Committee – Director Hilden

- ◆ The Board was asked to approve the proposed changes of the Board Policies for Ethical Conduct Regarding Board of Directors Compensation and Expenses and its respective exhibits, as summarized in the staff report excerpt below:

“Staff and Legal counsel suggest proposed revisions to the “Policies for Ethical Conduct Regarding Board of Directors Compensation and Expenses” and corresponding exhibits as redlined in the attached documents. Those changes are set forth in: (i) Section I (C)(1) on page 2, which adds a new Exhibit G that relates to missing receipts; (ii) Section II(B)(2)(c)(ii) on page 4, which adds a new provision concerning the use of taxis and/or ridesharing companies; (iii) Section II(B)(4)(a) on page 5, which adds a provision to emphasize early confirmation of attendance to allow for early room registration discounts; and (iv) Section II(C)(1)(a) on page 6, which adds a reference to the new “Missing Receipt Affidavit Form (Exhibit G). Revisions are also proposed to Exhibit C to add Spadra Basin GSA and the Los Angeles County Fourth District Consolidated Oversight Board to the list of compensable meetings, and to Exhibit F to add language referencing Exhibit G relative to the Missing Receipt Affidavit Form.” (Item 12-A)

Motion No. 18-10-1291: Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried (5-0), to approve the proposed changes of the Board Policies for Ethical Conduct Regarding Board of Directors Compensation and Expenses and its respective exhibits, as presented. (Item 12-A)

President Ebenkamp indicated Motion No. 18-10-1291 was approved by a (5-0) vote

- ◆ The Board was asked to adopt the proposed amendments to the District’s Standing Committee Selection Process policy. Ms. Olson noted that the changes were simply clarifying language and not substantive. (Item 12-B)

Motion No. 18-10-1292: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Lee and unanimously carried (5-0), to approve the proposed amendments to the District’s Standing Committee Selection Process policy, as presented. (Item 12-B)

President Ebenkamp indicated Motion No. 18-10-1292 was approved by a (5-0) vote

Item 13: Finance Committee – Director Wu

- ◆ The Board was asked to receive, approve and file the annual Acreage Supply, Reservoir Capacity, and Water Supply Charges (Capital Improvement Fees) report as presented. A copy of the report is available to the public upon request. (13-A)

Motion No. 18-10-1293: Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried (5-0), to receive, approve, and file the annual Acreage, Supply, Reservoir Capacity, and Water Supply Charges (Capital Improvement Fees) report as presented. A copy of the report is available to the public upon request. (Item 13-A)

President Ebenkamp indicated Motion No. 18-10-1293 was approved by a (5-0) vote

- ◆ The Board was asked to approve the following adjustments to the District's Wholesale Potable Water Rates for Suburban Water Systems and Golden State Water Company effective January 1, 2019. (13-B)
 1. Suburban Water Systems (Badillo Grand Line)
 - a. Monthly Base Rate \$8,663.00
 - b. Commodity Rate

Tier I	\$1,060.00
Tier II	\$1,146.00
 2. Golden State Water Company (Grand Avenue Connection)
 - a. Monthly Base Rate \$725.00
 - b. Commodity Rate

Tier I	\$1,156.00
Tier II	\$1,242.00

Motion No. 18-10-1294: Upon consideration thereof, it was moved by Director Wu, seconded by Director Lee and unanimously carried (5-0), to approve the adjustments to the District's Wholesale Potable Water Rates for Suburban Water Systems and Golden State Water Company effective January 1, 2019. (Item 13-B)

President Ebenkamp indicated Motion No. 18-10-1294 was approved by a (5-0) vote

- ◆ The Board was asked to approve the revised Unclaimed Funds Policy. (Item 13-C)

Motion No. 18-10-1295: Upon consideration thereof, it was moved by Director Wu, seconded by Director Hilden and unanimously carried (5-0), to approve the revised Unclaimed Funds Policy as presented. (Item 13-C)

President Ebenkamp indicated Motion No. 18-10-1295 was approved by a (5-0) vote

- ◆ The Board was asked to receive, approve, and file the September 2018 Consolidated Investment Transactions Report included in the Board packet. (Item 13-D)

Motion No. 18-10-1296: Upon consideration thereof, it was moved by Director Wu, seconded by Director Lee and unanimously carried (5-0), to receive, approve, and file the District's Consolidated Investment Transactions Report for the period of September 1, 2018 through September 30, 2018. (Item 13-D)

President Ebenkamp indicated Motion No. 18-10-1296 was approved by a (5-0) vote

- ◆ Mr. Hitchman reviewed the Revenue Bond Funds Held in Trust and detailed disbursement of bond proceeds report through September 30, 2018. As this was an informational item only, Board action was not needed. (Item 13-E)

Item 14: Public Information/Community Relations/Legislative Action Committee

- A. The Board was asked to consider adoption of Resolution No. 10-18-656, and presentation of District Tile of, in honor Mr. Richard Hansen on the occasion of his retirement as General Manager of Three Valleys Municipal Water District.

Motion No: 18-10-1297: Upon consideration thereof, it was moved by Director Wu, seconded by Director Lee and unanimously carried (5-0) by a roll call vote, to adopt Resolution 10-18-656 honoring Mr. Richard Hansen, and presentation of a District Tile on the occasion of his retirement as General Manager of Three Valleys Municipal Water District.

Yes: Ebenkamp, Hilden, Kwong, Lee, Wu

No: None

Absent: None

Motion Passed (5-0)

(Item 14)

President Ebenkamp indicated Motion No. 18-10-1297 was approved by a (5-0) roll call vote

Other Items

Item 15: TVMWD/MWD – Director Hilden

- ◆ The Board received a copy of the TVMWD "Action Line" for the meeting held on September 19, 2018. (Item 15)

Item 16: The P-W-R Joint Water Line Commission

- ◆ Mr. Hitchman reviewed the P-W-R Joint Water Line Commission water use report for the month of September included in the Board packet. (Item 16)

Item 17: Puente Basin Water Agency (PBWA) – Director Lee

- ◆ The Board received an update on PBWA related activities. (Item 17)

Item 18: General Manager’s Report

- ◆ The Board received a follow-up report on prior Board actions. (Item 18-A)
- ◆ The Board received the District’s activities calendars for November and December 2018, and January 2019. (Item 18-B)

Item 19: Water Supply and Drought

- ◆ The Board received reports and graphs of the following items: District potable and recycled water use, Calendar Year 2018 purchase water projections, conservation goal summary, climate summary, and 2018 monthly water consumption versus the 2013 baseline year. Staff made note that the District’s water usage for September 2018 was 15.04% lower than usage in September 2013. (Item 19-A)
- ◆ The Board viewed reports on California’s water supply and reservoir conditions as of October 8, 2018. (Item 19-B)

Item 20: 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 20)

- ◆ In addition to District committee and Board meetings previously reported, Director Wu attended a Spadra Basin GSA Executive Committee meeting, the WaterReuse Symposium, and the Diamond Bar Chinese-American Association Mid-Autumn Festival.
- ◆ Director Hilden stated that, in addition to District committee and Board meetings previously reported, he attended two Three Valley Municipal Water District Board meetings, the San Gabriel Valley Water Forum, and a San Gabriel Valley Regional Chamber of Commerce Legislative Power luncheon.
- ◆ In addition to District committee and Board meetings previously reported, Director Kwong attended the South Coast Plaza Autumn Harvest Festival.
- ◆ In addition to District committee and Board meetings previously reported, Director Lee indicated that she attended the Diamond Bar Evergreen Club Mid-Autumn Celebration and the Diamond Bar Chinese- American Association Mid-Autumn Festival.
- ◆ Director Ebenkamp stated that, in addition to attending District committee and Board meetings, he attended a Regional Chamber of Commerce Government Affairs Committee meeting, the San Gabriel Valley Public Affairs Network “Future of the Fairplex” luncheon, a Fourth Supervisorial District Consolidated Oversight Board meeting, and a San Gabriel Valley Regional Chamber of Commerce Legislative Power luncheon.

Item 21: Legal Reports

- ◆ Legal Counsel Ciampa informed the Board he was preparing a summary of the “Water Service Termination Law”, SB 998, and a draft sample policy to accompany that summary. (Item 21)

Item 22: Items for Future Discussion

- ◆ No requests were made. (Item 22)

Item 23: Board of Directors Business

B. The Board was asked to adopt Resolution 10-18-655 ordering an election not be held for Walnut Valley Water District and requesting that the Board of Supervisors appoint the persons nominated for the office of Member, Board of Directors:

- Director Edwin M. Hilden, Division 2
 - Director Theresa Lee, Division 3
- (Item 23)

Motion No: 18-10-1298: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Kwong and unanimously carried (5-0) by a roll call vote, to adopt Resolution 10-18-655 ordering an election not be held for Walnut Valley Water District and requesting that the Board of Supervisors appoint the persons nominated for the office of Member, Board of Directors: Director Edwin M. Hilden, Division 2, and Director Theresa Lee, Division 3.

Yes: Ebenkamp, Hilden, Kwong, Lee, Wu

No: None

Absent: None

Motion Passed (5-0)

(Item 23)

President Ebenkamp indicated Motion No. 18-10-1298 was approved by a (5-0) roll call vote

Item 24: Public Comment on Closed Session

- ◆ There were no requests to comment on either open or closed session items. (Item 24)

Item 25: Adjourn to Closed Session – 6:53 p.m.

Item 26: Closed Session

- A. The Board met in closed session in accordance with Government Code [§54956.9(d)(4)] to discuss anticipated litigation matters with Legal Counsel – Three Potential Cases. (Item 26)

Item 27: Reconvene in Open Session/Report of Action Taken in Closed Session – 7:25 p.m.

- A. The Board met in closed session in accordance with Government Code [§54956.9(d)(4)] to discuss three anticipated litigation matters with Legal Counsel. The Board was briefed on the facts and circumstances of those three matters and no reportable action under the Brown Act was taken on these matters. (Item 27)

Adjournment at 7:25 p.m.

Motion No: 18-10-1299: *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Kwong and unanimously carried (5-0), to adjourn the meeting.*

President Ebenkamp indicated Motion No. 18-10-1299 was approved by a (5-0) vote