

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

**December 17, 2018
At the Offices of the District**

DIRECTORS PRESENT:

Theodore L. Ebenkamp
Edwin Hilden
Scarlett Kwong
Theresa Lee

DIRECTORS ABSENT:

All present

STAFF PRESENT:

Erik Hitchman, General Manager/Chief Engineer
Brian Teuber, Assistant General Manager
Sandy Olson, Director of Administrative Services
Sherry Shaw, Director of Engineering
Dave Johnson, Director of Operations
Joshua Byerrum, Accounting Manager
Donna DiLaura, Executive Secretary
Alanna Diaz, Safety/Risk Officer
Jim Ciampa, Legal Counsel

The meeting was called to order at 10:00 a.m. with President Ebenkamp presiding.

Guests and others in attendance: Three Valleys Municipal Water District (TVMWD) Director Joe Ruzicka, TVMWD Chief Financial Officer James Linthicum, and Mr. John Chua, a member of the public.

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

- ◆ Ms. Olson introduced Ms. Alanna Diaz, Safety/Risk Officer. (Item 6)

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 November 13, 2018, the minutes of the special Board meeting held November 15, 2018, the Check Register, Employee Expense Reimbursement Report and the Community Outreach Update. (Items 7-1, 2, 3, 4 and 5)

Motion No. 18-12-1308: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Lee and unanimously carried (4-0), to approve the Consent Calendar, including the minutes of the regular Board meeting held November 13, 2018, the minutes of the special Board meeting held November 15, 2018, the check register, Employee Expense Reimbursement Report and the Community Outreach Update. (Items 7-1, 2, 3, 4 and 5)

President Ebenkamp indicated Motion No. 18-12-1308 was approved by a (4-0) 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 November 2018. (Item 8)

Motion No. 18-12-1309: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Hilden and unanimously carried (4-0), 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 November 2018. (Item 8)

President Ebenkamp indicated Motion No. 18-12-1309 was approved by a (4-0) vote

Item 9: Treasurer's Report

- ◆ Mr. Teuber presented the District's Statement of Revenues, Expenses, and Change in Net Assets as of November 30, 2018; the District's Statement of Net Assets as of November 30, 2018; and the Summary of Cash and Investments as of November 30, 2018. (Items 9 A-C)

Motion No. 18-12-1310: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Hilden and unanimously carried (4-0), to receive, approve, and file the District's Statement of Revenues, Expenses, and Change in Net Assets as of November 30, 2018, the District's Statement of Net Assets as of November 30, 2018, and the Summary of Cash and Investments as of November 30, 2018. (Item 9A-C)

President Ebenkamp indicated Motion No. 18-12-1310 was approved by a (4-0) vote

Committee Chair Reports

Item 10: Engineering Committee – Director Lee

- ◆ The Board was asked to accept the work as installed, and approve filing of a Notice of Completion for one Major Contract: Reservoirs Painting and Recoating Program FY's 2015-2016 and 2016-2017 (P.N. 15-3408). (Item 10-A)

Motion No. 18-12-1311: Upon consideration thereof, it was moved by Director Lee, seconded by Director Hilden and unanimously carried (4-0), to accept the work as installed and approve filing of a Notice of Completion for one Major Contract: Reservoirs Painting and Recoating Program FY's 2015-2016 and 2016-17 (P.N. 15-3408). (Item 10-A)

President Ebenkamp indicated Motion No. 18-12-1311 was approved by a (4-0) 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 10-B)

Item 11: Personnel Committee – Director Hilden

- ◆ Director Hilden reported that there were no Personnel Committee items to come before the Board at this time. (Item 11)

Item 12: Finance Committee – Director Ebenkamp

- ◆ 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. 18-12-1312: Upon consideration thereof, it was moved by Director Lee, seconded by Director Hilden and unanimously carried (4-0), to receive and file Mr. Schmitt's report. (Item 12-A)

President Ebenkamp indicated Motion No. 18-12-1312 was approved by a (4-0) vote

- ◆ The Board received a presentation by Mr. Brian Teuber on the District's 2017-18 audited financial statements, prepared by Davis Farr, LLP. Following review and discussion, the Board was asked to receive, approve and file the FY 2017-18 Audited Financials. Items included are as follows:
 - A. Summary of Audit Results
 - B. Report on Internal Control
 - C. 2017-18 Audited Financial Statements, and
 - D. Independent Accountants' Report on Applying Agreed-Upon Procedures
 (Item 12-B)

Motion No. 18-12-1313: Upon consideration thereof, it was moved by Director Lee, seconded by Director Hilden and unanimously carried (4-0), to receive, approve and file the FY 2017-18 Summary of Audit Results, Report on Internal Control, 2017-18 Audited Financial Statements, and the Independent Accountants' Report on Applying Agreed-Upon Procedures. (Item 12-B)

President Ebenkamp indicated Motion No. 18-12-1313 was approved by a (4-0) vote

- ◆ The Board was asked to consider approval of the FY 2017-18 Source and Application of Funds. (Item 12-C)

Motion No. 18-12-1314: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Lee and unanimously carried (4-0), to approve the FY 2017-18 Source and Application of Funds, totaling \$4,307,900, in the respective fund amounts presented to the Board of Directors. (Item 12-C)

President Ebenkamp indicated Motion No. 18-12-1314 was approved by a (4-0) vote

- ◆ The Board was asked to declare the fully depreciated office equipment listed in the Staff Report included in the Board packet as surplus property, and authorize disposal of such surplus property in accordance with District policy. (Item 12-D)

Motion No. 18-12-1315: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Kwong and unanimously carried (4-0), 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-D)

President Ebenkamp indicated Motion No. 18-12-1315 was approved by a (4-0) vote

- ◆ The Board was asked to receive, approve, and file the November 2018 Consolidated Investment Transactions Report included in the Board packet. (Item 12-E)

Motion No. 18-12-1316: Upon consideration thereof, it was moved by Director Lee, seconded by Director Hilden and unanimously carried (4-0), to receive, approve, and file the District's Consolidated Investment Transactions Report for the period of November 1, 2018 through November 30, 2018. (Item 12-E)

President Ebenkamp indicated Motion No. 18-12-1316 was approved by a (4-0) vote

- ◆ Mr. Teuber reviewed the Revenue Bond Funds Held in Trust and detailed disbursement of bond proceeds report through November 30, 2018. As this was an informational item only, Board action was not needed. (Item 12-F)

Item 13: Public Information/Community Relations/Legislative Action Committee

- ◆ The Board received an update on three key state legislative items: the Bay-Delta Plan, the 2019 Drinking Water Funding Legislative Proposals, and Proposition 3 – Statewide Water Bond. As this was an informational item only, Board action was not needed. (Item 13-A)
- ◆ The Board was asked to approve, after the fact, the presentation of a District tile to Ms. Mary Su, former Walnut Mayor and longtime city councilmember, at a City of Walnut reception held on December 12, 2018, to honor her many years of service to the local community. (Item 13-B)

Motion No. 18-12-1317: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Lee and unanimously carried (4-0), to retroactively approve the presentation of a District tile to Ms. Mary Su, in honor of her many years of service to the local community. (Item 13-B)

President Ebenkamp indicated Motion No. 18-12-1317 was approved by a (4-0) vote

Item 14: TVMWD/MWD – Director Hilden

- ◆ The Board received a copy of the TVMWD "Action Line" for the meeting held on December 5, 2018. (Item 14-A)
- ◆ The Board received a cancellation notice from TVMWD for its meeting originally scheduled for January 2, 2019. (Item 14-B)

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

- ◆ Mr. Hitchman reviewed the P-W-R Joint Water Line Commission water use report for the months of October and November included in the Board packet. (Item 15)

Item 16: Puente Basin Water Agency (PBWA) – Director Lee

- ◆ The Board received an update on PBWA related activities. (Item 16)

Item 17: General Manager's Report

- ◆ The Board received the District's activities calendars for January, February, and March 2019. (Item 17-A)

Item 18: 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 November 2018 was 9.55% lower than usage in November 2013. (Item 18-A)
- ◆ The Board viewed reports on California's water supply and reservoir conditions as of December 9, 2018. (Item 18-B)

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)

- ◆ Director Kwong attended the District committee and Board meetings previously reported.

- ◆ In addition to District committee and Board meetings previously reported, Director Lee indicated that she attended a PBWA meeting.
- ◆ Director Hilden stated that, in addition to District committee and Board meetings previously reported, he attended the Diamond Bar Community Foundation Holiday Gala and Director Wu's Appreciation Party.
- ◆ Director Ebenkamp stated that, in addition to attending District committee and Board meetings, he attended a Spadra Basin GSA meeting, a TVMWD Board meeting, a PBWA meeting, and the ACWA Conference.
- ◆ As noted on the expense report included in the Board packet, Director Wu attended the District committee and Board meetings previously reported, a Teddy Bear Tea, a JPIA Board meeting, and the ACWA Conference.

Item 20: Legal Reports

- ◆ Legal Counsel reported that he attended a webinar about "America's Water Infrastructure Act of 2018" which was signed into law by President Trump on October 23, 2018. He provided a brief review of the key components of the legislation and noted that he is in the process of preparing a memo for the Public Water Agencies Group for further discussion. Additionally, he wished everyone a Merry Christmas and Happy New Year. (Item 20)

Item 21: Items for Future Discussion

- ◆ No requests were made. (Item 21)

Item 22: Board of Directors Business

- ◆ Legal Counsel reviewed the appointment process and required procedures under Government Code Section 1780 that must be followed to fill the Division I vacancy. He noted that the deadline to select a candidate is Monday, February 11, 2019. (Item 22-A)
- ◆ The Board was asked to consider approval of the proposed list of 2019 Board meetings and Workshop dates. (Item 22-B)

Month	Board Meeting Date	Workshop Date
January	Tuesday, January 22	Thursday, January 24
February	Tuesday, February 19	Thursday, February 21
March	Monday, March 18	Thursday, March 21
April	Monday, April 15	Thursday, April 18
May	Monday, May 20	Thursday, May 23
June	Monday, June 17	Thursday, June 20
July	Monday, July 15	<i>None scheduled</i>
August	Monday, August 19	Thursday, August 22
September	Monday, September 16	Thursday, September 19
October	Monday, October 21	Thursday, October 24 (4:30 P.M.)
November	Monday, November 18	Thursday, November 21
December	Monday, December 16	TBD

Motion No. 18-12-1318: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Lee and unanimously carried (4-0), to approve the proposed list of 2019 Board meetings and Workshop dates, subject to change at the Board's discretion and in accordance with the Brown Act. (Item 22-B)

President Ebenkamp indicated Motion No. 18-12-1318 was approved by a (4-0) vote

- ◆ The Board was asked to consider the Annual Board Reorganization, Appointment of Officers and Committee selections for Calendar Year 2019. President Ebenkamp requested that the Board defer making its Committee selections until the Division I Board vacancy is filled. The rest of the Board concurred. (Item 22-C)

In accordance with the "Board Reorganization Rotation Policy", the Board members rotated their positions as follows:

- President – Director Hilden
- First Vice President – Director Lee
- Second Vice President – Director Kwong
- Assistant Treasurer – Director Ebenkamp
- Director – Vacant

Staff did not recommend any changes to the current Officer Appointments:

- Secretary – Erik Hitchman
- Treasurer – Brian Teuber
- Assistant Secretary – Donna DiLaura
- Second Assistant Treasurer – Joshua Byerrum

Motion No. 18-12-1319: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Lee and unanimously carried (4-0), to approve the following Board Reorganization and Officer Appointments for Calendar Year (CY) 2019. (Item 22-C)

Board Reorganization

- **President – Director Hilden**
- **First Vice President – Director Lee**
- **Second Vice President – Director Kwong**
- **Assistant Treasurer – Director Ebenkamp**
- **Director – Vacant**

Officers Appointments (No change from CY 2018)

- **Secretary – Erik Hitchman**
- **Treasurer – Brian Teuber**
- **Assistant Secretary – Donna DiLaura**
- **Second Assistant Treasurer – Joshua Byerrum**

President Ebenkamp indicated Motion No. 18-12-1319 was approved by a (4-0) vote

- ◆ The Board was asked to approve the General Manager's First Contract Amendment as drafted by Legal Counsel. The First Contract Amendment formalizes the previously approved eight percent salary merit adjustment effective January 1, 2019, which is inclusive of the one percent cost of living adjustment provided to all District employees in the Terms and Conditions of Employment for 2019. (Item 22-D)

Motion No. 18-12-1320: Upon consideration thereof, it was moved by Director Lee, seconded by Director Hilden and unanimously carried (4-0), to approve the General Manager's First Contract Amendment as drafted by Legal Counsel. The First Contract Amendment formalizes the previously approved eight percent salary merit adjustment effective January 1, 2019, which is inclusive of the one percent cost of living adjustment provided to all District employees in the Terms and Conditions of Employment for 2019. (Item 22-D)

President Ebenkamp indicated Motion No. 18-12-1320 was approved by a (4-0) vote

- ◆ The Board was asked to adopt Resolution No. 12-18-657 and a presentation of a District tile honoring Dr. Allen L. Wu for his dedicated service as a Director of the Walnut Valley Water District. (Item 22-E)

Motion No: 18-12-1321: Upon consideration thereof, it was moved by Director Lee, seconded by Director Kwong and unanimously carried (4-0) by a roll call vote, to adopt Resolution 12-18-657 and presentation of a District tile honoring Dr. Allen L. Wu for his dedicated service as Director of the Walnut Valley Water District.

Yes: Ebenkamp, Hilden, Kwong, Lee

No: None

Absent: None

Motion Passed (4-0)

(Item 22-E)

President Ebenkamp indicated Motion No. 18-12-1321 was approved by a (4-0) roll call vote

- ◆ The Board received a list of key conference and event dates for CY 2019. As this was an informational item only, Board action was not needed. (Item 22-F)

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 – 11:16 a.m.

Item 25: 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 – Two Potential Cases. (Item 25)

Item 26: Reconvene in Open Session/Report of Action Taken in Closed Session – 11:45 a.m.

- A. The Board met in closed session in accordance with Government Code [§54956.9(d)(4)] to discuss one anticipated litigation matter with Legal Counsel. The Board was briefed on the facts and circumstances of the matter and no reportable action under the Brown Act was taken. (Item 26-A)

Adjournment at 11:46 a.m.

Motion No: 18-12-1322: *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Lee and unanimously carried (4-0), to adjourn the meeting.*

President Ebenkamp indicated Motion No. 18-12-1322 was approved by a (4-0) vote and wished everyone a Merry Christmas and Happy New Year