

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

**January 22, 2019  
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  
Jim Ciampa, Legal Counsel

The meeting was called to order at 5:02 p.m. with President Hilden presiding.

Guests and others in attendance: Three Valleys Municipal Water District (TVMWD) Director Joe Ruzicka, TVMWD Chief Financial Officer James Linthicum, and Ms. Denise Jackman, 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: Consider Approval of Consent Calendar**

- ◆ The Board was asked to approve the Consent Calendar, including: the minutes of the regular Board meeting held December 17, 2018, the Check Register, Employee Expense Reimbursement Report and the Community Outreach Update. (Items 6-1, 2, 3 and 4)

**Motion No. 19-01-1324: Upon consideration thereof, it was moved by Director Lee, seconded by Director Ebenkamp and unanimously carried (4-0), to approve the Consent Calendar, including the minutes of the regular Board meeting held December 17, 2018, the check register, Employee Expense Reimbursement Report and the Community Outreach Update. (Items 6-1, 2, 3 and 4)**

**President Hilden indicated Motion No. 19-01-1324 was approved by a (4-0) vote**

**Item 7: 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 December 2018. (Item 7)

**Motion No. 19-01-1325: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Lee 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 December 2018. (Item 7)**

**President Hilden indicated Motion No. 19-01-1325 was approved by a (4-0) vote**

**Item 8: Treasurer's Report**

- ◆ Mr. Teuber presented the District's Statement of Revenues, Expenses, and Change in Net Assets as of December 31, 2018; the District's Statement of Net Assets as of December 31, 2018; and the Summary of Cash and Investments as of December 31, 2018. (Items 8 A-C)

**Motion No. 19-01-1326: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Lee and unanimously carried (4-0), to receive, approve, and file the District's Statement of Revenues, Expenses, and Change in Net Assets as of December 31, 2018, the District's Statement of Net Assets as of December 31, 2018, and the Summary of Cash and Investments as of December 31, 2018. (Item 8 A-C)**

**President Hilden indicated Motion No. 19-01-1326 was approved by a (4-0) vote**

## Committee Chair Reports

### Item 9: Engineering Committee – Director Lee

- ◆ Director Lee referenced the Operations Report included in the Board packet. As this was an informational item only, Board action was not needed. (Item 9)

### Item 10: Personnel Committee – Director Hilden

- ◆ The Board was asked to accept the District's employee disability and life insurance coverage renewal from Reliance Standard that includes:
  1. 0% premium increase for the District's life insurance and long-term disability coverage with a corresponding two-year rate guarantee effective March 1, 2019 through February 28, 2021; and,
  2. 0% premium increase for the District's short-term disability coverage with a corresponding one-year rate guarantee, effective March 1, 2019 through February 28, 2020.
 (Item 10-A)

***Motion No. 19-01-1327: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Ebenkamp and unanimously carried (4-0), to accept the District's employee disability and life insurance coverage renewals from Reliance Standard as presented. (Item 10-A)***

**President Hilden indicated Motion No. 19-01-1327 was approved by a (4-0) vote**

- ◆ The Board was asked to adopt a new WVWD Safety Committee Program in order to comply with the communication requirements under California Code of Regulations (CCR) Title 8, Section 3203 of the General Industry Safety Orders. (Item 10-B)

***Motion No. 19-01-1328: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Kwong and unanimously carried (4-0), to adopt a new WVWD Safety Committee Program as presented. (Item 10-B)***

**President Hilden indicated Motion No. 19-01-1328 was approved by a (4-0) vote**

- ◆ The Board was asked to approve proposed revisions to the District's Policy on Health Care Coverage, Life Insurance and Retirement Benefits for Directors. Ms. Olson noted that the changes are required to be consistent with the District's current life insurance coverage provisions, including age classifications, and to maintain compliance with ACWA/JPIA health care plan requirements. (Item 10-C)

***Motion No. 19-01-1329: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Ebenkamp and unanimously carried (4-0), to approve proposed revisions to the District's Policy on Health Care Coverage, Life Insurance and Retirement Benefits for Directors, as presented. (Item 10-C)***

**President Hilden indicated Motion No. 19-01-1329 was approved by a (4-0) vote**

### Item 11: Finance Committee – Director Ebenkamp

- ◆ 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 11-A)

***Motion No. 19-01-1330: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Lee 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 11-A)***

**President Hilden indicated Motion No. 19-01-1330 was approved by a (4-0) vote**

- ◆ Mr. Byerrum reviewed the Fiscal Year 2019-2020 Budget Schedule. As this was an informational item only, Board action was not needed. (Item 11-B)
- ◆ Mr. Byerrum reviewed the Financial Dashboard, which summarizes key financial and customer service data. He noted that, eventually, this item will be included with the monthly Treasurer's Report. As this was an informational item only, Board action was not needed. (Item 11-C)
- ◆ The Board was asked to receive, approve, and file the December 2018 Investment Transactions Report included in the Board packet. (Item 11-D)

**Motion No. 19-01-1331:** *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 December 1, 2018 through December 31, 2018. (Item 11-D)*

**President Hilden indicated Motion No. 19-01-1331 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 December 31, 2018. As this was an informational item only, Board action was not needed. (Item 11-E)

**Item 12: Public Information/Community Relations/Legislative Action Committee**

- ◆ The Board received an update on Statewide Water Tax. As this was an informational item only, Board action was not needed. (Item 12)

**Item 13: TVMWD/MWD – Director Hilden**

- ◆ The Board received a copy of TVMWD's Calendar Year 2019 Board Officers (Item 13-A)
- ◆ The Board received a copy of TVMWD's Calendar Year 2019 Board Appointments (Item 13-B)

**Item 14: 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 December included in the Board packet. (Item 14-A)
- ◆ Mr. Hitchman reported that Mr. Brian Teuber is the new Administrative Officer of P-W-R, effective February 14, 2019. (Item 14-B)

**Item 15: Puente Basin Water Agency (PBWA) – Director Lee**

- ◆ The Board received an update on PBWA related activities. (Item 15)

**Item 16: General Manager's Report**

- ◆ The Board received a follow-up report on prior Board actions. (Item 16-A)
- ◆ The Board received the District's activities calendars for February, March and April 2019. (Item 16-B)
- ◆ The Board was advised that the District received the ACWA/JPIA President's Special Recognition Award for reducing its loss ratio in the Liability, Property, and Worker's Compensation programs. (Item 16-C)

**Item 17: 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 December 2018 was 21.71% lower than usage in December 2013. (Item 17-A)
- ◆ The Board viewed reports on California's water supply and reservoir conditions as of January 13, 2019. (Item 17-B)

**Item 18: 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 18)

- ◆ Director Ebenkamp stated that, in addition to attending District committee and Board meetings, he attended a TVMWD Board meeting, a PBWA meeting, and a meeting with a delegation from Shanghai.
- ◆ In addition to District committee and Board meetings previously reported, Director Kwong indicated that she attended the MWD Water is Life Student Art Exhibit, the Asian Pacific Americans Community Toy Drive, and a meeting with a delegation from Shanghai.
- ◆ Director Hilden stated that, in addition to District committee and Board meetings previously reported, he attended a TVMWD Board meeting, and a meeting with a delegation from Shanghai
- ◆ In addition to District committee and Board meetings previously reported, Director Lee indicated that she attended the MWD Water is Life Student Art Exhibit, a PBWA meeting, the Hearts of Hope Christmas Party, and Mary Su's Farewell Reception. Additionally, Director Lee noted that she took her Oath of Office at the District on December 7, 2018.
- ◆ As noted on the expense report included in the Board packet, former Director Wu attended the District committee meetings previously reported, the JCUAA Annual Banquet, the MWD

Water is Life Student Art Exhibit, the Hearts of Hope Christmas Party, a meeting with the General Manager, and Mary Su's Farewell Reception.

#### **Item 19: Legal Reports**

- ◆ Legal Counsel Ciampa reported to the Board on the State Water Resources Control Board's recommendations for a proposed statewide low-income water rate assistance program, as required under AB 401. Those recommendations including funding through an income tax increase of .33% on persons with more than \$1,000,000 in annual income and a sales tax on bottled water. Also, the La Habra Heights mediation will be rescheduled from the original schedule date of February 4 due to a discovery dispute. Lastly, Legal Counsel Ciampa updated the Board on recent developments concerning the challenges to the Federal Communications Commission's cell site facility rulemaking. (Item 19)

#### **Item 20: Items for Future Discussion**

- ◆ No requests were made. (Item 20)

#### **Item 21: Board of Directors Business**

- ◆ The Board was asked to retroactively authorize the General Manager to execute a lease agreement between the District and JTI Electrical and Instrumentation, LLC, the existing tenant at that site, for the property located at 21220 Commerce Point Drive, Walnut, California, 91789. (Item 21-A)

**Motion No. 19-01-1332: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Lee and unanimously carried (4-0), to ratify the General Manager's execution of a lease agreement between the District and JTI Electrical and Instrumentation, LLC, for the property located at 21220 Commerce Point Drive, Walnut, California, 91789. (Item 22-A)**

**President Hilden indicated Motion No. 19-01-1332 was approved by a (4-0) vote**

- ◆ The Board received notification of the JPIA Executive Committee Election to take place on May 6, 2019. As this was an informational item only, Board action was not needed. (Item 21-B)
- ◆ The Board received an invitation to attend Rick Hansen's retirement celebration on Saturday, February 2, 2019. Directors were asked to RSVP to Ms. DiLaura if they would like to attend. As this was an informational item only, Board action was not needed. (Item 21-C)

#### **Item 22: Public Comment on Closed Session**

- ◆ There were no requests to comment on either open or closed session items. (Item 22)

#### **Item 23: Adjourn to Closed Session – 5:43 p.m.**

#### **Item 24: 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 – One Potential Case. (Item 24)

#### **Item 25: Reconvene in Open Session/Report of Action Taken in Closed Session – 6:01 p.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 25-A)

#### **Adjournment at 6:02 p.m.**

**Motion No. 19-01-1333: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Kwong and unanimously carried (4-0), to adjourn the meeting.**

**President Hilden indicated Motion No. 19-01-1333 was approved by a (4-0) vote**