

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

**August 19, 2019
At the Offices of the District**

DIRECTORS PRESENT:

Edwin Hilden
Theodore L. Ebenkamp
Scarlett Kwong
Theresa Lee
Jerry Tang

DIRECTORS ABSENT:

None

STAFF PRESENT:

Erik Hitchman, General Manager/Chief Engineer
Brian Teuber, Assistant General Manager
Sandy Olson, Director of Administrative Services
Sherry Shaw, Director of Engineering
Thomas Monk, Production Manager
Josh Byerrum, Finance Manager
Alanna Diaz, HR/Risk/Safety Manager
Gabriela Sanchez, Executive Secretary
Jim Ciampa, Legal Counsel

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

Guests and others in attendance: Three Valleys Municipal Water District (TVMWD) Directors Denise Jackman and Joe Ruzicka, TVMWD Chief Finance Officer James Lithicum, Mr. Jayson Schmitt and Mia Corral Brown of Chandler Asset Management, Sara Rodriguez and Tai Diep of Walnut Valley Water District.

Item 3: Public Comment

- ◆ There were no requests. (Item 3)

Item 4: Additions to the Agenda

- ◆ There were no requests for additions to the agenda. (Item 4)

Item 5: Reorder of Agenda

- ◆ There were no requests. (Item 5)

Item 6: Special Presentation

- ◆ Special recognition was given to Mr. Tai Diep and Ms. Sara Rodriguez on the occasion of their completion of the ACWA/JPIA Supervisor's Basics Professional Development Program. (Item 6)

Item 7: Consider Approval of Consent Calendar

- ◆ The Board was asked to approve the Consent Calendar consisting of the minutes of the Regular Board meeting held July 15, 2019, the Check Register, the Employee Expense Reimbursement Report, and the Community Outreach Update. (Item 7-1, 2, 3, and 4)

Motion No. 19-08-1408: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Lee, and unanimously carried (5-0), to approve the Consent Calendar including the minutes of the Regular Board meeting held July 15, 2019, the Check Register, the Employee Expense reimbursement Report, and the Community Outreach Report. (Items 7-1, 2, 3, 4)

President Hilden indicated Motion No. 19-08-1408 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 individual reports of additional expenses incurred by the District on behalf of each Director for events occurring during the month of July 2019. (Item 8)

Motion No. 19-08-1409: Upon consideration thereof, it was moved by Director Ebenkamp, 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 July 2019. (Item 8)

President Hilden indicated Motion No. 19-08-1409 was approved by a (5-0) vote

Item 9: Treasurer's Report

- ◆ Mr. Teuber reported that, due to fiscal year-end, the District financials will be presented at the September Board Meeting. (Item 9)

Committee Chair Reports

Item 10: Engineering Committee – Director Lee

- ◆ The Board was asked to accept the work as installed for Ambushers Reservoir Piping Modification Project (P.N. 18-3535) and authorize the filing of Notice of Completion. (Item 10-A)

Motion No. 19-08-1410: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Ebenkamp and unanimously carried (5-0), to accept the work as installed for Ambushers Reservoir Piping Modification Project (P.N. 18-3535) and to authorize the filing of Notice of Completion. (Item 10-A)

President Hilden indicated Motion No. 19-08-1410 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 10-B)

Item 11: Personnel Committee – Director Hilden

- ◆ The Board was asked to adopt amendments to the WVWD Policy Regarding Allowing, Compromising, and Settling Claims. The original policy of November 1998 had been amended in June 2002 to increase the General Manager's authority to compromise or settle any claim filed with the District seeking recovery of an amount less than \$750 to \$5,000. However, it was found that the current policy did not align with the Board action taken in June 2002. Therefore, the Board was asked to approve amendments to the policy, clarifying the General Manager's authority to settle small claims for property damage in amounts up to \$5,000. (Item 11-A)

Motion No. 19-08-1411: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Kwong and unanimously carried (5-0), to adopt revisions to the WVWD Policy Regarding Allowing, Compromising, and Settling Claims which clarify the General Manager's authority to settle small claims for property damage in amounts up to \$5,000 per occurrence. (Item 11-A)

President Hilden indicated Motion No. 19-08-1411 was approved by a (5-0) vote

Item 12: Finance Committee – Director Kwong

- ◆ 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 then asked to receive and file the investment report. (Item 12-A)

Motion No. 19-08-1412: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Ebenkamp and unanimously carried (5-0), to receive and file the District's Investment Report for the period ending July 31, 2019. (Item 12-A)

President Hilden indicated Motion No. 19-08-1412 was approved by a (5-0) vote

- ◆ The Board was asked to receive, approve, and file the District's Consolidated Investment Transactions Report for July 2019 included in the Board packet. (Item 12-B)

Motion No. 19-08-1413: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Ebenkamp and unanimously carried (5-0), to receive, approve, and file the District's Consolidated Investment Transaction Report for the period of July 1, 2019 through July 31, 2019. (Item 12-B)

President Hilden indicated Motion No. 19-08-1413 was approved by a (5-0) vote

- ◆ The Board conducted its annual review of the District's Investment Policy. Mr. Teuber indicated that District Legal Counsel and the Investment Manager, Chandler Asset Management, reviewed the investment policy and recommended minor changes to Sections 8, 8(j), 8(o), and 8(q) as presented in the Board packet. Upon review of investment policy, the Board moved to consider adoption of Resolution No. 08-19-661 (replacing Resolution No. 08-18-654) Establishing the Walnut Valley Water District Investment Policy. (Item 12-C)

Motion No. 19-08-1414: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Kwong and unanimously carried (5-0) by roll call vote noted below, to adopt Resolution No. 08-19-661 Establishing the Walnut Valley Water District Investment Policy. (Item 12-C)

Ayes: Ebenkamp, Hilden, Kwong, Lee, Tang
Noes: None
Absent: None
Abstain: None

President Hilden indicated Motion No. 19-08-1414 was approved by a (5-0) roll call vote

- ◆ The Board was asked to review and discuss the claim received from law firm Maas & Marinovich on behalf of Ms. Cielo de Jose, and reject such claim, which seeks compensation for property damage and bodily injury damages. (Item 12-D)

Motion No. 19-08-1415: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Ebenkamp and unanimously carried (5-0), to reject the claim received

from law firm Maas & Marinovich on behalf of Ms. Cielo de Jose seeking compensation for property damage and bodily injury damages. (Item 12-D)

President Hilden indicated Motion No. 19-08-1415 was approved by a (5-0) vote

- ◆ The Board was asked to review the Pomona Basin Water Reliability Project budget presented in the Board packet and approve the use of Water Supply Charge Reserves, estimated at \$1,000,000, for the well development portion of the Pomona Basin project. The Board was additionally asked to approve the use of Acreage Supply Charge Reserves, estimated at \$1,033,083, to fund the Pathfinder Pipeline, and to approve the use of Reservoir Capacity Charge Reserves, estimated at \$235,100, to fund the interties. (Item 12-E)

Motion No. 19-08-1416: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Ebenkamp and unanimously carried (5-0), to approve the use of Water Supply Charge Reserves, estimated at \$1,000,000, for the well development portion of the Pomona Basin Water Reliability Project; to approve the use of Acreage Supply Charge Reserves, estimated at \$1,033,083, to fund the Pathfinder Pipeline Project; and to approve the use of Reservoir Capacity Charge Reserves, estimated at \$235,100, to fund the Interties Project. (Item 12-E)

President Hilden indicated Motion No. 19-08-1416 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 July 31, 2019. As this was an informational item only, Board action was not needed. (Item 12-F)

Item 13: Public Information/Community Relations/Legislative Action Committee – Director Hilden

- ◆ As a matter of information only, the Board was advised that the District will participate in a one-year subscription with Eagle Aerial Solutions for the use their “Water View” tool, a water conservation and data management portal designated to provide detailed information concerning outdoor water use that is needed to better project and manage the impacts of the water conservation legislation and help manage future conservation programs. This one-year subscription is estimated to cost \$18,900, which is within the purchasing authority of the General Manager, so Board action is not required. (Item 13)

Item 14: TVMWD/MWD – Director Hilden

- ◆ The next TVMWD Regular Board meeting is scheduled for September 4, 2019. (Item 15)

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

- ◆ Mr. Teuber reviewed the P-W-R Joint Water Line Commission water use reports for the months of June and July. (Item 15)

Item 16: Puente Basin Water Agency (PBWA)

- ◆ Director Lee reported on agency business matters discussed during the August 8, 2019 Commission meeting. (Item 16)

Item 17: Spadra Basin Groundwater Sustainability Agency

- ◆ Director Ebenkamp updated the Board on agency business matters discussed during the August 5, 2019 GSA Stakeholders meeting. (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 September, October, and November 2019. (Item 18-B)
- ◆ Mr. Hitchman took a moment to congratulate Mr. Thomas Monk on the occasion of his promotion to Director of Operations for the WVWD. Mr. Monk will commence his role as Director of Operations on August 23, 2019.

Item 19: Water Supply and Conservation

- ◆ The Board received reports and graphs of the following items: District potable and recycled water use, Calendar Year 2019 purchase water projections, conservation goal summary, climate summary, and 2019 monthly water consumption versus the 2013 baseline year. Staff made note that the District’s water usage for June 2019 was 17.84% lower than usage in June 2013. (Item 19-A)
- ◆ The Board viewed reports on California’s water supply and reservoir conditions as of July 22, 2019. (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)

- ◆ Director Ebenkamp reported on his participation in the WVWD Board meeting held on July 15, 2019 in addition to a Spadra Basin GSA meeting, a SGV Regional Chamber Government Affairs Committee meeting and New Faces Luncheon with Senator Rubio, and a San Gabriel Valley Civic Alliance event featuring Dr. David Hall.
- ◆ Director Hilden noted his attendance at the San Gabriel Valley Civic Alliance event featuring Dr. David Hall.
- ◆ Director Tang reported on his attendance at the July 1, 2019 Spadra Basin GSA meeting and a City of Walnut Concert in the Park. He also indicated that during the month of July he completed a Sexual Harassment Prevention for Supervisors and Managers training, Moving from Group to Team: Creating a Cohesive Board training, and Ethics Training.
- ◆ Director Lee noted that she attended the July 15, 2019 WVWD Board meeting.
- ◆ Director Kwong advised that she attended the WVWD Board meeting previously reported on in addition to a Chinese Elected Officials Meeting with the Chinese Consulate and a Diamond Bar Concert in the Park event.

Item 21: Legal Reports

- ◆ Mr. Ciampa reported that the Public Water Agencies Group received three responses to its Request for Proposals for the Risk and Resiliency and Emergency Response Plans which a selection committee will review and make recommendations to the group. (Item 21)

Item 22: Items for Future Discussion

- ◆ There were no requests for future discussion items. (Item 22)

Item 23: Board of Directors Business

- ◆ The Board authorized staff to forward a letter to the Puente Basin Watermaster indicating the District's election to select Option 3, as mutually agreed upon by the Rowland Water District and the Walnut Valley Water District, to provide 100% (156.6 acre-feet) of the Puente Basin allowable return flow credit to the Walnut Valley Water District. (Item 23-A)

Motion No. 19-08-1417: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Lee, and unanimously carried (5-0), to direct staff to forward a letter to the Puente Basin Watermaster indicating the District's election to select Option 3, as mutually agreed upon by the Rowland Water District and the Walnut Valley Water District, to provide 100% (156.6 acre-feet) of the Puente Basin allowable return flow credit to the Walnut Valley Water District. (Item 23-A)

President Hilden indicated Motion No. 19-08-1417 was approved by a (5-0) vote

- ◆ The Board received a request for support of nomination of Sarah Palmer as candidate for the position of ACWA Vice President for the 2020-2021 term, however no Board action was taken. (Item 23-B)

Item 24: Public Comment on Closed Session

- ◆ There were no requests to comment on either open or closed session items. (Item 25)

Item 25: Adjourn to Closed Session – 6:10 p.m.

Item 26: Closed Session – 6:33 p.m.

- A. The Board met in closed session in accordance with Government Code [§54956.9(d)(2)] to discuss anticipated litigation matters with Legal Counsel – Two Potential Cases. (Item 26)

Item 27: Reconvene in Open Session/Report of Action Taken in Closed Session – 6:49 p.m.

- A. The Board met in closed session in accordance with Government Code [§54956.9(d)(2)] to discuss two anticipated litigation matters with Legal Counsel. The Board was briefed on the facts and circumstances of the matters and no reportable action under the Brown Act was taken. (Item 27)

Adjournment at 6:50 p.m.

The Board adjourned in memory of Mr. Dan Horan,
Former Board of Director of the Three Valleys Municipal Water District