

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

**September 26, 2019
At the Offices of the District**

DIRECTORS PRESENT:

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

DIRECTORS ABSENT:

All Present

STAFF PRESENT:

Erik Hitchman, General Manager/Chief Engineer
Brian Teuber, Assistant General Manager
Sherry Shaw, Director of Engineering
Lily Lopez, Director of External Affairs
Thomas Monk, Director of Operations
Josh Byerrum, Finance Manager
Gabriela Sanchez, Executive Secretary
Jim Ciampa, Legal Counsel

The meeting was called to order at 4:00 p.m. with President Hilden presiding.

Guests and others in attendance: Mr. Sanjay Gaur of Raftelis Financial Consultants, Inc.

Item 3: Public Comment

- ◆ There were no requests. (Item 3)

Item 4: Review of 2019 Rate Study

- ◆ Mr. Sanjay Gaur of Raftelis Financial Consultants, Inc. provided a PowerPoint presentation that provided an overview of the rate model and the proposed rates, reflective of a revenue adjustment of 5% as previously requested by the Board. Following a detailed discussion and review of the rates the Board provided direction to include the rates as presented into the District's rate study. Discussion ensued regarding drought rates. Based on guidance from legal counsel, it was determined that no changes to the surcharges, previously approved by the Board in accordance with Prop 218 is required.

Motion No. 19-09-1424: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Lee and unanimously carried (5-0), to direct staff to work with Raftelis Financial Consultants, Inc. to develop a rate model that incorporates a minimum meter size standard of 1-inch and a rate schedule that is inclusive of a 5% annual revenue adjustment. (Item 4)

President Hilden indicated Motion No. 19-09-1424 was approved by a (5-0) vote

Item 5: Purchase of 1,500 Acre-Feet of Cyclic Storage Water and Agreement Regarding Schedule of Payment

- ◆ The Board was asked to authorize the General Manager to execute a Cyclic Storage Agreement with Three Valleys Municipal Water District (TVMWD) for the purchase of 1,500 acre-feet of water held in TVMWD's Cyclic Storage Account in the Main San Gabriel Groundwater Basin.
- ◆ Mr. Hitchman noted that WVWD and RWD plan to each purchase a total of 300 acre-feet per year over the next five years from TVMWD's Cyclic Storage Account and if mutually agreed upon the Districts and TVMWD, the cyclic agreement payment schedule per District shall be: 300AF by July 31, 2020; 300 AF by July 31, 2021; 300 AF by July 31, 2022; 300 AF by July 31, 2023; and 300 AF by July 31, 2024. (Item 5)

Motion No. 19-09-1425: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Lee and unanimously carried (5-0), to authorize the General Manager to execute a Cyclic Storage Agreement with Three Valleys Municipal Water District for a total purchase of 1,500 acre-feet of water stored in Three Valley's MWD Cyclic Storage Account in the Main San Gabriel Groundwater Basin over the next five consecutive years; and to approve the payment schedule for the WVWD's purchase of water as follows: 300 acre-feet by July 31, 2020; 300 acre-feet by July 31, 2021; 300 acre-feet by July 31, 2022; 300 acre-feet by July 31, 2023; and 300 acre-feet by July 31, 2024. (Item 4)

President Hilden indicated Motion No. 19-09-1425 was approved by a (5-0) vote

Adjournment at 5:31 p.m.

Motion No. 19-09-1426: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Lee and unanimously carried (5-0), to adjourn the meeting.

President Hilden indicated Motion No. 19-09-1426 was approved by a (5-0) vote