

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

**November 18, 2019
At the Offices of the District**

DIRECTORS PRESENT:

Theodore L. Ebenkamp
Theresa Lee
Jerry Tang

DIRECTORS ABSENT:

Edwin Hilden
Scarlett Kwong

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
Alanna Diaz, HR/Risk/Safety Manager
Josh Byerrum, Finance Manager
Gabriela Sanchez, Executive Secretary
Jim Ciampa, Legal Counsel

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

Guests and others in attendance: Three Valleys Municipal Water District (TVMWD) Directors David De Jesus, Joe Ruzicka, and Carlos Goytia, Chief Finance Officer James Linthicum; Mr. Jayson Schmitt of Chandler Asset Management; Dr. Robert Taylor of Walnut Unified School District; Margaret Lin, A-Pi Chi Lin, Elina Thapu, Peter Lin, and Julianne Wu.

Item 3: Public Comment

- ◆ There were no requests for public comment on agenda items. (Item 3-A)
- ◆ Dr. Allen Wu, a member of the Walnut City Council, spoke on matters pertaining to meter equivalency, as included in the District's tentative water rates and charges adjustments. (Item 3-B)

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 Recognition

- ◆ The Board awarded special recognition to District poster contest winner Ms. Julianne Wu, whose artwork was selected to appear in the MWD 2020 "Water is Life" calendar. Ms. Julia Brandt's artwork was also selected, however she was not in attendance to receive recognition. (Item 6)

Item 7: Special Presentations

- ◆ The Board received 'President's Special Recognition Award' certificates by the ACWA/JPIA in recognition of the District's effort in reducing claims resulting in a loss ratio of 20% or less in the Liability, Property, and Workers' Compensation programs. (Item 7)

Item 8: Consider Approval of Consent Calendar

- ◆ The Board was asked to approve the Consent Calendar consisting of the minutes of the Special Board meeting held October 16, 2019, minutes of the Regular Board meeting held October 21, 2019, minutes of the Special Board meeting held October 24, 2019, the Check Register, the Employee Expense Reimbursement Report, and the Community Outreach Update. (Item 8-1, 2, 3, 4, 5, and 6)

Motion No. 19-11-1443: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Tang, and unanimously carried (3-0), to approve the Consent Calendar, consisting of the minutes of the Special Board meeting held October 16, 2019, minutes of the Regular Board meeting held October 21, 2019, minutes of the Special Board meeting held October 24, 2019, the Check Register, the Employee Expense Reimbursement Report, and the Community Outreach Update. (Items 8-1, 2, 3, 4, 5, and 6)

First Vice President Lee indicated Motion No. 19-11-1443 was approved by a (3-0) 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 individual reports of additional expenses incurred by the District on behalf of each Director for events occurring during the month of October 2019. (Item 9)

Motion No. 19-11-1444: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Tang and unanimously carried (3-0), 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 October 2019. (Item 9)

First Vice President Lee indicated Motion No. 19-11-1444 was approved by a (3-0) vote

Item 10: Treasurer's Report

- ◆ Mr. Teuber presented the Financial Dashboard as of September 30, 2019, the District Statement of Revenue, Expenses, and Change in Net Assets as of September 30, 2019, the District Statement of Net Assets as of September 30, 2019, and Summary of Cash and Investments as of September 30, 2019. (Items 10-A, B, C, D)

Motion No. 19-11-1445: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Tang and unanimously carried (3-0), receive, approve, and file the Financial Dashboard as of September 30, 2019, the District Statement of Revenue, Expenses, and Change in Net Assets as of September 30, 2019, the District Statement of Net Assets as of September 30, 2019, and Summary of Cash and Investments as of September 30, 2019. (Items 10-A, B, C, D)*

First Vice President Lee indicated Motion No. 19-11-1445 was approved by a (3-0) vote

Committee Chair Reports

Item 11: Engineering Committee – Director Lee

- ◆ The Board was asked to receive and file the Thirty-Third Annual Report for the Puente Basin Watermaster for Fiscal Year 2018-19. (Item 11-A)

Motion No. 19-11-1446: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Lee and unanimously carried (3-0), to receive and file the Thirty-Third Annual Report for the Puente Basin Watermaster for Fiscal Year 2018-19. (Item 11-A)*

First Vice President Lee indicated Motion No. 19-11-1446 was approved by a (3-0) vote

- ◆ Mr. Monk referenced the Operations Report included in the Board packet. (Item 11-B)

Item 12: Personnel Committee

- ◆ The Board was asked to adopt the Employee Reimbursement of Expenses Policy and its respective exhibits included in the Board packet. (Item 12-A)

Motion No. 19-11-1447: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Tang and unanimously carried (3-0), to adopt the Employee Reimbursement of Expenses Policy and the exhibits associated with the policy: Exhibit A – Conference-Seminar Request Form, Exhibit B – Meeting and Expense Reimbursement Form, Exhibit C – Internal Revenue Service (IRS) Accountable Plan, Exhibit D – Missing Receipt Affidavit Form, Exhibit E – JPIA Driver Eligibility, Insurance, and Program Requirements, Exhibit F – Meal Expense Reimbursement Schedule/Guidelines, and Exhibit G – Conference/Seminar Follow-Up Form. (Item 12-A)*

First Vice President Lee indicated Motion No. 19-11-1447 was approved by a (3-0) vote

Item 13: Finance Committee

- ◆ Mr. Jayson Schmitt of Chandler Asset Management reviewed the 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 13-A)

Motion No. 19-11-1448: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Tang and unanimously carried (3-0), to receive and file the District's Investment Report for the period ending October 31, 2019. (Item 13-A)*

First Vice President Lee indicated Motion No. 19-11-1448 was approved by a (3-0) vote

- ◆ The Board was asked to receive, approve, and file the FY 2018-2019 Audited Financial Statements prepared by Davis Farr LLP. Mr. Teuber took a moment to highlight components of the Summary of Audit Results, Report of Internal Control, 2018-19 Audited Financial Statements, and Independent Accounts' Report on Applying Agreed-Upon Procedures. (Item 13-B)

Motion No. 19-11-1449: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Tang and unanimously carried (3-0), to receive, approve, and file the FY 2018-19 audit report. (Item 13-B)*

First Vice President Lee indicated Motion No. 19-11-1449 was approved by a (3-0) vote

- ◆ The Board was asked to receive, approve, and file the District's Consolidated Investment Transactions Report for October 2019 included in the Board packet. (Item 13-C)

Motion No. 19-11-1450: *Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Tang and unanimously carried (3-0), to receive, approve, and file the*

District's Consolidated Investment Transaction Report for the period of October 1, 2019 through October 31, 2019. (Item 13-C)

First Vice President Lee indicated Motion No. 19-11-1450 was approved by a (3-0) vote

- ◆ The Board was asked to approve adjustments to the District's Wholesale Potable Water Rates for Suburban Water Systems and Golden State Water Company Effective January 1, 2020. (Item 13-D)

Motion No. 19-11-1451: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Tang and unanimously carried (3-0), to approve adjustments to the District's Wholesale Potable Water Rates, effective January 1, 2020, as follows:

Suburban Water Systems (Badillo Grand Line):

Monthly Base Rate: \$9,507
Commodity Rate: Tier I - \$1,089
Tier II - \$1,176

Golden State Water Company (Grand Avenue Connection):

Monthly Base Rate: \$934
Commodity Rate: Tier I - \$1,326
Tier II - \$1,413

(Item 13-D)

First Vice President Lee indicated Motion No. 19-11-1451 was approved by a (3-0) vote

- ◆ The Board was asked to declare the equipment listed in the staff report as surplus property and approve the disposal of this property in accordance with District policy. (Item 13-E)

Motion No. 19-11-1452: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Tang and unanimously carried (3-0), to declare as surplus property the items listed in the staff report presented to the Board, and to authorize disposal of such surplus property in accordance with District policy. (Item 13-E)

First Vice President Lee indicated Motion No. 19-11-1452 was approved by a (3-0) vote

- ◆ Mr. Teuber reviewed the Revenue Bond Funds Held in Trust and detailed disbursement of bond proceeds report through October 31, 2019. As this was an informational item only, Board action was not needed. (Item 13-F)

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

- ◆ There were no Public Information/Community Relations/Legislative Action Committee matters to come before the Board at this time.

Item 15: TVMWD/MWD

- ◆ TVMWD representatives reported on MWD and TVMWD business matters. (Item 15)

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

- ◆ Mr. Teuber reviewed the P-W-R Joint Water Line Commission water use report for the month of October 2019. (Item 16)

Item 17: Puente Basin Water Agency (PBWA)

- ◆ The next Commission meeting will be held on December 12, 2019, at Walnut Valley Water District, at 7:00 a.m. (Item 17)

Item 18: Spadra Basin Groundwater Sustainability Agency

- ◆ Director Ebenkamp reported on business matters discussed during the November 4, 2019, Executive Committee meeting. (Item 18)

Item 19: General Manager's Report

- ◆ The Board received a follow-up report on prior Board actions. (Item 19-A)
- ◆ The Board received the District's activities calendars for December 2019, January and February 2020. (Item 19-B)

Item 20: 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. Mr. Hitchman made note that the District's water usage for October 2019 was 11.79% lower than usage in October 2013. (Item 20-A)
- ◆ The Board viewed reports on California's water supply and reservoir conditions as of November 11, 2019. (Item 20-B)

Item 21: 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 21)

- ◆ Director Ebenkamp reported on his participation in WVWD committee and Board meetings in addition to a Regional Chamber Government Affairs Committee meeting, a TVMWD Board meeting, a Public Safety Appreciation Luncheon hosted by Board of Supervisor Janice Hahn, the Rowland Heights Buckboard Days Parade, and the FORUS Foundation's 4th Annual State of the Schools Breakfast.
- ◆ Director Tang reported on his attendance at the Board-sponsored barbecue, the Diamond Bar Multicultural Festival, the Walnut Family Festival and Parade, the CIE-SoCal Annual Convention, District Board and Committee meetings, a District-hosted turf removal class, the FORUS Foundation's 4th Annual State of the Schools Breakfast, the Walnut Education Foundation Teddy Bear Tea Breakfast, and the TVMWD Leadership Breakfast.
- ◆ Director Lee noted that in addition to the Board meetings previously reported on, she attended the Board-sponsored barbecue, a PBWA Commission meeting, the Walnut Family Festival and Parade, Jack Tanaka's Memorial Highway Sign Unveiling Event, Rowland Height's Buckboard Days Parade, the FORUS Foundation's 4th Annual State of the Schools Breakfast, and the TVMWD Leadership Breakfast.
- ◆ Although Director Kwong was not in attendance to report on her activities for the month of October, her expense report noted her attendance at the following events/meetings: Board-sponsored barbecue, Chinese Elected Officials members meeting regarding affordable housing project, CIE-SoCal Annual Convention, WVWD Committee and Board meetings, Jack Tanaka Memorial Highway Sign Unveiling event, Rowland Heights Buckboard Days Parade, Pomona-Walnut-Rowland Joint Water Line Commission meeting, FORUS Foundation's 4th Annual State of the Schools Breakfast, and TVMWD Leadership Breakfast.
- ◆ Although President Hilden was not in attendance to report on his activities for the month of October, his expense report noted his attendance at the following events/meetings: Board-sponsored barbecue, WVWD Committee and Board meetings, TVMWD Board meeting, Board of Supervisor Janice Hahn's Public Safety Appreciation Luncheon, Jack Tanaka Memorial Highway Sign Unveiling event, and TVMWD Leadership Breakfast.

Item 22: Legal Reports

- ◆ There were no Legal Report matters to discuss with the Board at this time. (Item 22)

Item 23: Items for Future Discussion

- ◆ There were no requests for future discussion items. (Item 23)

Item 24: Board of Directors Business

- ◆ There were no Board of Directors Business matters to come before the Board at this time. (Item 24)

Item 25: Public Comment on Closed Session

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

Item 26: Adjourn to Closed Session – 6:00 p.m.**Item 27: Closed Session – 6:17 p.m.**

- A. The Board met in closed session in accordance with Government Code [§54956.9(d)(4)] to discuss initiation of litigation matters with Legal Counsel – Three Potential Cases. (Item 27-A)
- B. The Board met in closed session in accordance with Government Code [§54957] to conduct the annual performance evaluation for the General Manager. (Item 27-B)

Item 28: Reconvene in Open Session/Report of Action Taken in Closed Session – 7:02 p.m.

- A. The Board met in closed session in accordance with Government Code [§54956.9(d)(4)] to discuss three initiation of 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 28-A)

The Board also met in closed session in accordance with Government Code [§54957] to conduct a performance evaluation for the General Manager. That evaluation occurred, and no reportable action under the Brown Act was taken on this item. (Item 28-A)

- B. Pursuant to discussion and completion of the General Manager's evaluation process, the Board was asked to consider at its discretion and in Open Session a salary or compensation adjustment for the General Manager to be effective January 1, 2020. Board consensus was made to postpone the decision of compensation adjustment for the General Manager to the December 16, 2019 Board meeting to allow the Board members absent from this meeting the opportunity to discuss the subject matter as well. (Item 28-B)

Motion No. 19-11-1453: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Tang and unanimously carried (3-0), to postpone the decision of consideration of compensation adjustment for the General Manager to the December 16, 2019 WVWD Board meeting. (Item 28-B)

First Vice President Lee indicated Motion No. 19-11-1453 was approved by a (3-0) vote

Adjournment at 7:11 p.m.

Motion No. 19-11-1454: Upon consideration thereof, it was moved by Director Ebenkamp, seconded by Director Tang and unanimously carried (3-0), to adjourn the meeting.

First Vice President Lee indicated Motion No. 19-11-1454 was approved by a (3-0) vote