

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

**June 15, 2020
MEETING CONDUCTED VIA WEBEX
AT:**

https://wvwd.webex.com/join/board_room

DIRECTORS PRESENT:

Edwin Hilden
Scarlett Kwong
Theresa Lee
Jerry Tang

DIRECTORS ABSENT:

None

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
Gabriela Sanchez, Executive Secretary
Jim Ciampa, Legal Counsel
Josh Byerrum, Finance Manager
Alanna Diaz, Human Resources/Safety/Risk Manager
Ron Woodruff, IT Specialist (Meeting Host)

The meeting was called to order at 5:02 p.m. with President Lee presiding. All Board meeting participants and guests joined the meeting via the Webex link:
https://wvwd.webex.com/join/board_room

Guests and others in attendance: Three Valleys Municipal Water District (TVMWD) Directors Denise Jackman and David De Jesus, TVMWD General Manager Matt Litchfield, P.E. and Chief Finance Officer James Linthicum; Jo-Anne Bogias and Susan Hernandez of Willdan Financial Services.

Item 3: Public Comment

- ◆ There were no requests for public comment. (Item 3)

Item 4: Additions to the Agenda

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

Item 5: Reorder of the Agenda

- ◆ There were no requests for reorder of the agenda. (Item 5)

Item 6: Public Hearing: Consideration of Annual Approval of the WVWD Standby Charge Report

- ◆ President Lee opened the public hearing to receive comments regarding the adoption of the WVWD Water Standby Charge Report prepared by Willdan Financial Services. (Item 6-A)

Motion No. 20-06-1535: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Tang, and unanimously carried (4-0) by the roll call vote noted below, to open the public hearing to receive comments regarding the adoption of the WVWD Water Standby Charge Report prepared by Willdan Financial Services. (Item 6-A)

Ayes: Hilden, Kwong, Lee, Tang

Noes: None

Absent: None

Abstain: None

President Lee indicated Motion No. 20-06-1535 was approved by a (4-0) roll call vote

- ◆ Mr. Byerrum reviewed the report, noting staff is recommending no change in the current assessment. Representatives from Willdan Financial Services were present to respond to public comments, however none were received. President Lee then closed the public hearing. (Items 6-B, C, D)

Motion No. 20-06-1536: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Tang, and unanimously carried (4-0) by the roll call vote noted below, to close the public hearing. (Item 6-D)

Ayes: Hilden, Kwong, Lee, Tang

Noes: None

Absent: None

Abstain: None

President Lee indicated Motion No. 20-06-1536 was approved by a (4-0) roll call vote

- ◆ The Board was asked to approve staff's recommendation to continue the District's Standby Charge at the current rate of \$56 per acre, \$14 for each one-fourth acre or less, and for parcels larger than one-fourth acre but less than one acre the charge is prorated on the basis of \$56 per acre. (Item 6-E)

Motion No. 20-06-1537: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Kwong, and unanimously carried (4-0) by the roll call vote noted below, to approve continuation of the District Water Standby Charge at its current rate. (Item 6-E)

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

President Lee indicated Motion No. 20-06-1537 was approved by a (4-0) roll call vote

- ◆ The Board was asked to receive, approve, and file the Water Standby Charge Report prepared by Willdan Financial Services. (Item 6-F)

Motion No. 20-06-1538: Upon consideration thereof, it was moved by Director Tang, seconded by Director Hilden, and unanimously carried (4-0) by the roll call vote noted below, to receive, approve, and file the Water Standby Charge Report prepared by Willdan Financial Services. (Item 6-F)

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

President Lee indicated Motion No. 20-06-1538 was approved by a (4-0) roll call vote

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 May 18, 2020, the minutes of the Special Board meeting held May 21, 2020, the Check Register, the Employee Expense Reimbursement Report, and the Community Outreach Report. (Item 7-1, 2, 3, 4, 5)

Motion No. 20-06-1539: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Tang, and unanimously carried (4-0) by the roll call vote noted below, to approve the Consent Calendar, consisting of the minutes of the Regular Board meeting held May 18, 2020, the minutes of the Special Board meeting held May 21, 2020, the Check Register, the Employee Expense Reimbursement Report, and the Community Outreach Report. (Items 7-1, 2, 3, 4, 5)

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

President Lee indicated Motion No. 20-06-1539 was approved by a (4-0) roll call 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 May 2020. (Item 8)

Motion No. 20-06-1540: Upon consideration thereof, it was moved by Director Tang, seconded by Director Kwong and unanimously carried (4-0) by the roll call vote noted below, 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 May 2020. (Item 8)

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

President Lee indicated Motion No. 20-06-1540 was approved by a (4-0) roll call vote

Item 9: Treasurer's Report

- ◆ Mr. Byerrum presented the Financial Dashboard as of April 30, 2020, the District Statement of Revenue, Expenses, and Change in Net Assets as of April 30, 2020, the District Statement of Net Assets as of April 30, 2020, and Summary of Cash and Investments as of April 30, 2020. (Items 9-A, B, C, D)

Motion No. 20-06-1541: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Tang and unanimously carried (4-0) by the roll call vote noted below, to receive, approve, and file the Financial Dashboard as of April 30, 2020, the District Statement of

Revenue, Expenses, and Change in Net Assets as of April 30, 2020, the District Statement of Net Assets as of April 30, 2020, and Summary of Cash and Investments as of April 30, 2020. (Items 9-A, B, C, D)

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

President Lee indicated Motion No. 20-06-1541 was approved by a (4-0) roll call vote

Committee Chair Reports

Item 10: Engineering Committee – Director Lee

- ◆ The Board was asked to receive and file the 2020-2021 Final Operating Safe Yield Determination of the Puente Basin Watermaster. (Item 10-A)

Motion No. 20-06-1542: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Tang and unanimously carried (4-0) by the roll call vote noted below, to receive and file the 2020-2021 Final Operating Safe Yield Determination of the Puente Basin Watermaster. (Item 10-A)

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

President Lee indicated Motion No. 20-06-1542 was approved by a (4-0) roll call vote

- ◆ Mr. Monk reviewed the Operations Report included in the Board packet. As this was an informational item only, no Board action was taken. (Item 10-B)

Item 11: Personnel Committee

- ◆ There were no Personnel Committee items to come before the Board. (Item 11)

Item 12: Finance Committee

- ◆ The Board was asked to receive, approve, and file the District's Consolidated Investment Transactions Report for May 2020 included in the Board packet. (Item 12-A)

Motion No. 20-06-1543: Upon consideration thereof, it was moved by Director Kwong seconded by Director Tang and unanimously carried (4-0) by the roll call vote noted below, to receive, approve, and file the District's Consolidated Investment Transaction Report for the period of May 1, 2020 through May 31, 2020. (Item 12-A)

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

President Lee indicated Motion No. 20-06-1543 was approved by a (4-0) roll call vote

- ◆ Mr. Byerrum reviewed the Revenue Bond Funds Held in Trust and detailed disbursement of bond proceeds report through May 31, 2020. As this was an informational item only, Board action was not taken. (Item 12-B)

Item 13: 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 13)

Item 14: TVMWD/MWD

- ◆ TVMWD Director David De Jesus and General Manager Matt Litchfield reported on MWD and Three Valleys MWD business matters. (Item 14)

Item 15: 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 May 2020. (Item 15)

Item 16: Puente Basin Water Agency (PBWA)

- ◆ The Board received a recap of business matters discussed during the June 4, 2020 Agency meeting. (Item 16)

Item 17: Spadra Basin Groundwater Sustainability Agency

- ◆ Director Tang provided a report on Agency business matters. (Item 17)

Item 18: General Manager's Report

- ◆ The Board received the District's activities calendars July, August, and September 2020. (Item 18-A)
- ◆ Mr. Hitchman provided a brief update on District office procedures implemented in response to the COVID-19 pandemic.

Item 19: Water Supply and Conservation

- ◆ The Board received reports and graphs of the following items: District potable and recycled water use, Fiscal Year 2019-20 purchased water projections, conservation goal summary, climate summary, and 2020 monthly water consumption versus the 2013 baseline year. The report noted that the District's water usage for May 2020 was 18.39% lower than usage in May 2013. (Item 19-A)
- ◆ The Board viewed reports on California's water supply and reservoir conditions as of June 10, 2020. (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)

- ◆ In addition to the District Board and committee meetings, Director Tang reported on his participation in District committee and Board meetings in addition to a Spadra Basin GSA Executive Committee meeting. He also noted his efforts in judging 'Water is Life' poster and essay submittals, and his participation in a MWD webinar: Planning for Southern California's Water Future.
- ◆ Director Kwong noted that she participated in District committee and Board meetings in addition to noting her efforts in judging 'Water is Life' poster and essay submittals. Additionally she reported on her participation in a MWD webinar: Planning for Southern California's Water Future and a CEO briefing on California Schools and Local Communities Funding Act.
- ◆ In addition to the District Board and committee meetings previously reported on, Director Hilden advised that he judged 'Water is Life' artwork submittals, that he participated in TVMWD virtual Board meetings, and lastly noted that he completed a Board-required training on the California Public Records Act.
- ◆ Director Lee indicated that she participated in District committee and Board meetings in addition to her efforts in judging 'Water is Life' poster and essay submittals. Her verbal report also noted her participation in a MWD webinar: Planning for Southern California's Water Future.
- ◆ Although former Board Director Theodore Ebenkamp was not in attendance to report on his activities, his expense report noted his participation in a Spadra Basin Ground Water Sustainability Agency meeting and a Three Valleys MWD Board meeting. Additionally, his expense report indicated that on May 13, 2020 he signed a Spadra Basin GSA resolution pertaining to banking services.

Item 21: Legal Reports

- ◆ Mr. Ciampa provided a report on SB 625 regarding the governance at Central Basin Municipal Water District, which would place that district into receivership on a temporary basis while the Los Angeles County Local Agency Formation Commission develops recommendations for a permanent solution to the ongoing problems at that district. (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 was asked to consider approval the District proposed FY 2020-21 Budget consisting of \$41,064,585 in Revenues, \$36,514,894 in Expenses, \$4,420,691 in Reserve Funding, the District Chart of Positions, the District Organizational Chart, the Employee Salary Ranges, and \$10,758,346 in the Capital Investment Program Budget. (Item 23-A)

Motion No. 20-06-1544: Upon consideration thereof, it was moved by Director Hilden seconded by Director Kwong and unanimously carried (4-0) by the roll call vote noted below, to approve the Fiscal Year 2020-21 Budget consisting of \$41,064,585 in Revenues, \$36,514,894 in Expenses, \$4,420,691 in Reserve Funding, the District Chart of Positions, the District Organizational Chart, the Employee Salary Ranges, and \$10,758,346 in the Capital Investment Program Budget. (Item 23-A)

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

President Lee indicated Motion No. 20-06-1544 was approved by a (4-0) roll call vote

Item 24: Public Comment on Closed Session

- ◆ There were no requests to comment on closed session items. (Item 24)

Item 25: Adjourn to Closed Session – 5:56 p.m.**Item 26: Closed Session – 5:58 p.m.**

- A. The Board met in closed session in accordance with Government Code [§54956.9(a)] to discuss existing litigation concerning Bonnie Kessner et al vs. City of Santa Clara et al (Santa Clara County Superior Court Case No. 20CV364054). (Item 26-A)
- B. The Board met in closed session in accordance with Government Code [§54956.9(d)(2)] to discuss initiation of litigation matter with Legal Counsel – One Potential Case. (Item 26-B)
- C. The Board met in closed session in accordance with Government Code [§54957] to discuss security issues. (Item 26-C)

Item 27: Reconvene in Open Session/Report of Action Taken in Closed Session – 6:06 p.m.

- A. The Board met in closed session in accordance with Government Code [§54956.9(a)] to discuss one existing 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 27-A)

The Board also met in closed session in accordance with Government Code [§54956.9(d)(2)] to discuss one initiation of 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 27-A)

The Board also met in closed session in accordance with Government Code [§54957] to discuss security issues. The Board was briefed on the facts and circumstances of the matter and was asked to adopt the District's Risk and Resiliency Assessment for Water. (Item 27-A)

Motion No. 20-06-1545: Upon consideration thereof, it was moved by Director Kwong seconded by Director Tang and unanimously carried (4-0) by the roll call vote noted below, to adopt the District's Risk and Resiliency Assessment for Water. (Item 27-A)

Ayes: Hilden, Kwong, Lee, Tang

Noes: None

Absent: None

Abstain: None

President Lee indicated Motion No. 20-06-1545 was approved by a (4-0) roll call vote

Adjournment at 6:08 p.m.

Motion No. 20-06-1546: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Tang and unanimously carried (4-0), to adjourn the meeting.

President Lee indicated Motion No. 20-06-1546 was approved by a (4-0) vote