

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

**February 16, 2021
MEETING CONDUCTED VIA WEBEX
AT:**

<https://walnutvalley.webex.com/meet/bmeeting>

DIRECTORS PRESENT:

Kevin Hayakawa
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
James Ciampa, Legal Counsel
Josh Byerrum, Finance Manager
Alanna Diaz, Director of HR and Risk Management
Ron Woodruff, IT Specialist (Meeting Host)

The meeting was called to order at 5:00 p.m. with President Kwong presiding. All Board meeting participants and guests joined the meeting via the Webex link:

<https://walnutvalley.webex.com/meet/bmeeting>

Guests and others in attendance: Three Valleys Municipal Water District (TVMWD) Directors David De Jesus, Jody Roberto, and Steve Ti, and General Manager Matt Litchfield; Lane Hayakawa; Jayson Schmitt; and WVWD employees Tom Hunt, Teofilo Pasillas, Alejandro Roque, and Nicholas Nazaroff.

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: Introduction of New District Employees

- A. Mr. Hunt introduced Mr. Nicholas Nazaroff, Instrumentation/Electrical System Technician I, on the occasion of his completion of the probationary period for new employees. (Item 6-A)
- B. Mr. Pasillas introduced Mr. Alejandro Roque, Utility Service Worker I, on the occasion of his completing the probationary period for new employees. (Item 6-B)

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 January 19, 2021, minutes of the Special Board meeting held January 21, 2021, the Check Register, the Employee Expense Reimbursement Report, and the Community Outreach Report. (Item 7-1, 2, 3, 4, 5)

Motion No. 21-02-1626: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Tang, and unanimously carried (5-0) by the roll call vote noted below, to approve the Consent Calendar, consisting of the minutes of the Regular Board meeting held January 19, 2021, the minutes of the Special Board meeting held January 21, 2021, the Check Register, the Employee Expense Reimbursement Report, and the Community Outreach Report. (Items 7-1, 2, 3, 4, 5)

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

President Kwong indicated Motion No. 21-02-1626 was approved by a (5-0) 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 January 2021. (Item 8)

Motion No. 21-02-1627: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Tang and unanimously carried (5-0) 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 January 2021. (Item 8)

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

President Kwong indicated Motion No. 21-02-1627 was approved by a (5-0) roll call vote

Item 9: Treasurer's Report

- ◆ Mr. Byerrum presented the Financial Dashboard as of December 31, 2020, the District Statement of Revenue, Expenses, and Change in Net Assets as of December 31, 2020, the District Statement of Net Assets as of December 31, 2020, and Summary of Cash and Investments as of December 31, 2020. (Items 9-A, B, C, D)

Motion No. 21-02-1628: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Lee and unanimously carried (5-0) by the roll call vote noted below, to receive, approve, and file the Financial Dashboard as of December 31, 2020, the District Statement of Revenue, Expenses, and Change in Net Assets as of December 31, 2020, the District Statement of Net Assets as of December 31, 2020, and Summary of Cash and Investments as of December 31, 2020. (Items 9-A, B, C, D)

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

President Kwong indicated Motion No. 21-02-1628 was approved by a (5-0) roll call vote

Committee Chair Reports

Item 10: Engineering Committee – Director Kwong

- ◆ The Board was asked to accept the work as installed for the Brea Canyon Cut-Off Reservoir (WR05) Pump Station (P.N. 19-3572) and to authorize the filing of Notice of Completion for the subject project. (Item 10-A)

Motion No. 21-02-1629: Upon consideration thereof, it was moved by Director Lee, seconded by Director Hilden and unanimously carried (5-0) by the roll call vote noted below, to accept the work as installed for the Brea Canyon Cut-Off Reservoir (WR-5) Pump Station (P.N. 19-3572) and to authorize the filing of Notice of Completion for the subject project. (Item 10-A)

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

President Kwong indicated Motion No. 21-02-1629 was approved by a (5-0) roll call vote

- ◆ Mr. Monk reviewed the Operations report included in the Board packet. No Action was taken by the Board. (Item 10-B)

Item 11: Personnel Committee – Director Tang

- ◆ The Board was asked to consider providing a District tile to former WVWD Director Theodore Ebenkamp and a Certificate of Recognition to former WVWD Director Alfred Sinclair in recognition of their service to the District during their terms on the Board of Directors. The Board further agreed to present resolutions to the former Board members, in addition to the tile for Theodore Ebenkamp. (Item 11-A)

Motion No. 21-02-1630: Upon consideration thereof, it was moved by Director Tang, seconded by Director Lee and unanimously carried (5-0) by the roll call vote noted below, to direct staff to prepare resolutions for Theodore Ebenkamp and Alfred Sinclair in recognition of their service to the District during their terms as Board members; and a District tile to Theodore Ebenkamp. (Items 11-A)

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

President Kwong indicated Motion No. 21-02-1630 was approved by a (5-0) roll call vote

Item 12: Finance Committee – Director Lee

- ◆ Mr. Jayson Schmitt of Chandler Asset Management presented 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. 21-02-1631: Upon consideration thereof, it was moved by Director Lee seconded by Director Tang and unanimously carried (5-0) by the roll call vote noted below, to receive and file the District's investment report for the period ending January 31, 2021. (Item 12-A)

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

President Kwong indicated Motion No. 21-02-1631 was approved by a (5-0) roll call vote

- ◆ The Board was asked to approve the Valuation of Retiree Health Benefits, Report of GASB 75 Actuarial Valuation as of June 30, 2020. (Item 12-B)

Motion No. 21-02-1632: Upon consideration thereof, it was moved by Director Lee seconded by Director Hilden and unanimously carried (5-0) by the roll call vote noted below, to approve the Valuation of Retiree Health Benefits, Report of GASB 75 Actuarial Valuation as of June 30, 2020. (Item 12-B)

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

President Kwong indicated Motion No. 21-02-1632 was approved by a (5-0) roll call vote

- ◆ The Board was asked to approve the transfer of \$957,053, the calculated annual savings from the Cost of Living Adjustment reduction for calendar years 2019 and 2020, From the General Account to the Other Post Employment Benefits Reserve; and to authorize staff to transfer these funds, as deemed appropriate, to the Other Post-Employment Benefits Trust. (Item 12-C)

Motion No. 21-02-1633: Upon consideration thereof, it was moved by Director Lee seconded by Director Hayakawa and unanimously carried (5-0) by the roll call vote noted below, to approve the transfer of \$957,053, the calculated annual savings from the COLA reduction for calendar years 2019 and 2020, from the General Account to the Other Post-Employment Benefits Reserve; and to authorize staff to transfer these funds, as deemed appropriate, to the Other Post-Employment Benefits Trust. (Item 12-C)

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

President Kwong indicated Motion No. 21-02-1633 was approved by a (5-0) roll call vote

- ◆ The Board was asked to receive, approve, and file the District's Consolidated Investment Transactions Report for January 2021 included in the Board packet. (Item 12-D)

Motion No. 21-02-1634: Upon consideration thereof, it was moved by Director Lee seconded by Director Tang and unanimously carried (5-0) by the roll call vote noted below, to receive, approve, and file the District's Consolidated Investment Transaction Report for the period of January 1, 2021 through January 31, 2021. (Item 12-D)

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

President Kwong indicated Motion No. 21-02-1634 was approved by a (5-0) roll call vote

- ◆ As a matter of information only, the Board received a Revenue Bond Funds Held in Trust report. (Item 12-E)

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

- ◆ There were no Public Information/Community Relations/Legislative Action Committee matters to come before the Board at this time. (Item 13-A)

Item 14: TVMWD/MWD

- ◆ Updates on TVMWD and MWD business matters were provided by General Manager Matt Litchfield and Director David De Jesus, respectively. (Item 14)

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

- ◆ Included in the Board packet was the P-W-R Joint Water Line Commission water use report for the month of January 2021. The Board additionally received a report on business matters from the February 11, 2021, Commission meeting. (Item 15)

Item 16: Puente Basin Water Agency (PBWA)

- ◆ The Board received a brief report on PBWA business matters from the February 4, 2021 Agency meeting. (Item 16)

Item 17: Spadra Basin Groundwater Sustainability Agency

- ◆ The Board received a report on Spadra Basin GSA business matters. (Item 17)

Item 18: General Manager's Report

- ◆ The Board received the District's activities calendars March, April, and June 2021. (Item 18-A)
- ◆ The Board received the Presidents Special Recognition Award certificates from the ACWA/JPIA for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums" in the Liability Program for the period 10/01/2016 – 09/30/2019, in the Property Program for the period 04/01/2016-03/31/2019, and in the Worker's Compensation Program for the period 07/01/2016 – 06/30/2019. (Item 18-B)

Item 19 Water Supply and Conservation

- ◆ The Board received reports and graphs of the following items: District potable and recycled water use, Calendar Year 2021 purchased water estimate, conservation goal summary, climate summary, and 2021 monthly water consumption versus the 2013 baseline year. The report noted that the District's water usage for January 2021 was 5.01% lower than usage in January 2013. (Item 19-A)
- ◆ The Board viewed reports on California's water supply and reservoir conditions as of February 9, 2021. (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)

- ◆ During the month of January, Director Hayakawa meet with District staff for WVWD and HR orientations. He also reported on his participation in District committee and Board meetings, Diamond Bar City Council meetings, and a TVMWD Board meeting.
- ◆ Director Hilden advised that he participated in TVMWD Board meetings in addition to District Board and committee meetings previously reported on.
- ◆ In addition to the District Board and committee meetings previously reported on, Director Kwong noted her attendance at a TVMWD Board meeting and a Chinese-American Elected Officials Association Board meeting.
- ◆ Director Lee advised that she participated in District committee and board meetings, in addition to a Spadra Basin GSA meeting.
- ◆ In addition to District Board and committee meetings, and the Spadra Basin GSA meeting previously reported on, Director Tang advised that he participated in an ACWA webinar on 'How to Prepare for a Water Shortage Contingency Plan.'

Item 21: Legal Reports

- ◆ Mr. Ciampa provided a brief update on legislative matters of interest to the District and then advised that a closed session would be held following the regular business meeting. (Item 21)

Item 22: Items for Future Discussion

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

Item 23: Board of Directors Business

- ◆ Board members received a request from South Sutter Water District for concurrence for nomination of Thomas A. Cuquet for the ACWA/JPIA's Board of Directors Executive Committee. Board request was given to table consideration for the March Board meeting. (Item 23-A)

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 – 6:41 p.m.

Item 26: Closed Session – 6:42 p.m.

- A. The Board met in closed session in accordance with Government Code [§54956.9(a)] to discuss existing litigation in the case titled Bonnie Kessner, et al. vs. City of Santa Clara, et al. (Santa Clara County Superior Court Case No. 20CV364054). (Item 26-A)

Item 27: Reconvene in Open Session/Report of Action Taken in Closed Session – 6:45 p.m.

- A. The Board met in closed session in accordance with Government Code [§54956.9(a)] to discuss existing litigation in the case titled Bonnie Kessner, et al. vs. City of Santa Clara, et al. (Santa Clara County Superior Court Case No. 20CV364054). The Board was briefed on the status of that case and no reportable action under the Brown Act was taken.

Adjournment at 6:45 p.m.