

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

**November 14, 2022
MEETING CONDUCTED VIA WEBEX
AT:**

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

DIRECTORS PRESENT:

Kevin Hayakawa
Theresa Lee
Jerry Tang
Edwin Hilden
Scarlett Kwong

DIRECTORS ABSENT:

None

STAFF PRESENT:

Erik Hitchman, General Manager/Chief Engineer
Jared Macias, Assistant General Manager
Josh Byerrum, Director of Finance
Lily Lopez, Director of External Affairs
Thomas Monk, Director of Operations
Sherry Shaw, Director of Engineering & Planning
Alanna Diaz, Director of Administrative Services
Lucie Cazares, Executive Secretary
Alexandra Cortez, Administrative Assistant
Jim Ciampa, Legal Counsel
Ron Woodruff, Information Systems Manager (Host)

The meeting was called to order at 5:00 p.m. with President Tang 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 Mike Ti, Jody Roberto, and General Manager Matt Litchfield. Also, in attendance was Mr. Jayson Schmitt of Chandler Asset Management.

Item 3: Public Comment

- ◆ There was no 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: Review of District Investment Activities by Mr. Jayson Schmitt, Representative of Chandler Asset Management

- ◆ 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 6)

Motion No. 22-11-1856: *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 and file the District's investment report for the period ending October 31, 2022. (Item 6)*

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

President Tang indicated Motion No. 22-11-1856 was approved by a (5-0) 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 October 17, 2022, the minutes of the Special Board meeting held October 20, 2022, the Check Register, the Employee Expense Reimbursement Report, and the Community Outreach Report. (Item 7 – A, B, C, D, E)

Motion No. 22-11-1857: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Hilden, and unanimously carried (5-0) by the roll call vote noted below, to approve the Consent Calendar, consisting the minutes of the Regular Board meeting held October 17, 2022, the minutes of the Special Board meeting held October 20, 2022, the Check Register, the Employee Expense Reimbursement Report, and the Community Outreach Report. (Item 7 – A, B, C, D, E)

Ayes: Hayakawa, Hilden, Kwong, Lee, Tang

Noes: None

Absent: None

Abstain: None

President Tang indicated Motion No. 22-11-1857 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 October 2022. (Item 8)

Motion No. 22-11-1858: Upon consideration thereof, it was moved by Director Hayakawa, seconded by Director Hilden, 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 October 2022. (Item 8)

Ayes: Hayakawa, Hilden, Kwong, Lee, Tang

Noes: None

Absent: None

Abstain: None

President Tang indicated Motion No. 22-11-1858 was approved by a (5-0) roll call vote

Item 9: Treasurer's Reports

- ♦ Mr. Byerrum presented the Financial Dashboard as of September 30, 2022, the District Statement of Revenue, Expenses, and Change in Net Position as of September 30, 2022, the District Statement of Net Position as of September 30, 2022, and Summary of Cash and Investments as of September 30, 2022. (Items 9-A, B, C, D)

Motion No. 22-11-1859: 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 receive, approve, and file the Financial Dashboard as of September 30, 2022, the District Statement of Revenue, Expenses, and Change in Net Position as of September 30, 2022, the District Statement of Net Position as of September 30, 2022, and Summary of Cash and Investments as of September 30, 2022. (Items 9-A, B, C, D)

Ayes: Hayakawa, Hilden, Kwong, Lee, Tang

Noes: None

Absent: None

Abstain: None

President Tang indicated Motion No. 22-11-1859, approved by a (5-0) roll call vote

Committee Chair Reports

Item 10: Engineering Committee – Director Hayakawa

- ◆ The Board was asked to accept the work as installed for the IBC Recycled Water Reservoir (P.N. 14-3373RES) and to authorize the filing of Notice of Completion for the subject project. (Item 10-A)

Motion No. 22-11-1860: Upon consideration thereof, it was moved by Director Hayakawa, seconded by Director Hilden, and unanimously carried (5-0) by the roll call vote noted below, to accept the work as installed for the IBC Recycled Water Reservoir (P.N. 14-3373RES) 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 Tang indicated Motion No. 22-11-1860, 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 Kwong

- ◆ There were no Personnel Committee matters to come before the Board at this time. (Item 11)

Item 12: Finance Committee – Director Lee

- ◆ The Board was asked to approve staff's recommendation for FY 2021-22 Source and Application of Funds, to transfer the following from the District's general account: \$178,600 to the Operating Reserve; \$250,000 to the Capital Improvement Reserve; \$5,573,379 to the Reserve for Replacement; \$254,100 to the Stored Water Reserve; \$750,000 to the Employees Liabilities Reserve related to the Employer OPEB liability and authorize the transfer of these funds to the OPEB Trust; \$1,102,200 to the PERS Unfunded fund. (Item 12-A)

Motion No. 22-11-1861: 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 approve staff's recommendation for the FY 2021-22 Source and Application of Funds, to transfer the following from the District's general account: \$178,600 to the Operating Reserve; \$250,000 to the Capital Improvement Reserve; \$5,573,379 to the Reserve for Replacement; \$254,100 to the Stored Water Reserve; \$750,000 to the Employees Liabilities Reserve related to the Employer OPEB liability and authorize the transfer of these funds to the OPEB Trust; \$1,102,200 to the PERS Unfunded fund. (Item 12-A)

Ayes: Hayakawa, Hilden, Kwong, Lee, Tang

Noes: None

Absent: None

Abstain: None

President Tang indicated Motion No. 22-11-1861, approved by a (5-0) roll call vote

- ◆ The Board was asked to review the District's Cash Reserve Policy and then to receive, approve, and file that policy, as amended. (Item 12-B)

Motion No. 22-11-1862: 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 receive, approve, and file the District's Cash Reserve Policy, as amended. (Item 12-B)

Ayes: Hayakawa, Hilden, Kwong, Lee, Tang

Noes: None

Absent: None

Abstain: None

President Tang indicated Motion No. 22-11-1862, approved by a (5-0) roll call vote

- ◆ The Board was asked to approve adjustments to the District's Wholesale Potable Water Rates, effective January 1, 2023. (Item 12-C)

Motion No. 22-11-1863: *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 adjustments to the District's Wholesale Potable Water Rates, effective January 1, 2023, as follows:*

Suburban Water Systems (Badillo Grand Line)

a. Monthly Base Rate \$12,469

b. Commodity Rate

Tier I \$1,226

Tier II \$1,435

Golden State Water Company (Grand Avenue Connection)

a. Monthly Base Rate \$1,554

b. Commodity Rate

Tier I \$1,357

Tier II \$1,566

(Item 12-C)

Ayes: Hayakawa, Hilden, Kwong, Lee, Tang

Noes: None

Absent: None

Abstain: None

President Tang indicated Motion No. 22-11-1863, approved by a (5-0) roll call vote

- ◆ The Board was asked to receive, approve, and file the District's Consolidated Investment Transactions Report month ending October 31, 2022. (Item 12-D)

Motion No. 22-11-1864: *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 Consolidated Investment Transactions Report for the month ending October 31, 2022. (Item 12-D)*

Ayes: Hayakawa, Hilden, Kwong, Lee, Tang

Noes: None

Absent: None

Abstain: None

President Tang indicated Motion No. 22-11-1864, 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 Tang

- ◆ 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

- ◆ Updates on TVMWD and MWD business matters were provided by TVMWD Matt Litchfield. (Item 14)

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

- ◆ Mr. Monk indicated that the report for October 2022 will be presented at the December Board meeting. (Item 15)

Item 16: Puente Basin Water Agency (PBWA)

- ◆ Director Lee reported no meeting occurred for the Puente Basin Water Agency. (Item 16)

Item 17: Spadra Basin Groundwater Sustainability Agency

- ◆ Director Tang reported on the November 7, 2022, Spadra Basin GSA Advisory Committee meeting. (Item 17)

Item 18: General Manager's Report

- ◆ The Board received the District's activities calendars for December 2022, and January and February 2023. (Item 18-A)

Item 19: Water Supply and Conservation

- ◆ The Board received reports and graphs of the following items: District potable and recycled water use, Calendar Year 2022 purchased water estimate, conservation goal summary, climate summary, and 2022 monthly water consumption versus the 2013 and 2020 baseline years. The report noted that the District's water usage for October 2022 was 18% lower than usage in October 2020 and 27% lower than usage in October 2013. (Item 19-A)
- ◆ The Board viewed reports on California's water supply and reservoir conditions as of November 6, 2022. (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 Hayakawa reported that during the month of October he attended the District's regular and special Board meetings, all District committee meetings, both TVMWD's Regular Board meetings, the Walnut Family Festival, and the Buckboard Days Parade.
- ◆ Director Hilden reported that during the month of October he attended the District's Regular and Special Board Meetings, Public Information Committee Meeting, Finance Committee Meeting, Personnel Committee Meeting, both TVMWD's Regular Board Meetings, the Diamond Bar Women's Club Casino Night, TVMWD's Leadership Breakfast, P-W-R Committee Meeting, Coffee with Director Kwong, a Firescaping Workshop, and the District Employee BBQ. He also attended the Diamond Bar State of the City, Red Ribbon Event at Diamond Bar High School, and a celebration for Walnut Council Member Bob Pacheco's Retirement.
- ◆ Director Kwong report the following for the month of October events/meetings: PBWA Commission Meeting, Walnut Family Festival, RCCSGV Meeting, Personnel Committee, PW JWL Commission Meeting, Rowland Heights Buckboard Parade and Festival, District's Board Meeting, Diamond Bar State of the City, and District's Special Board workshop.
- ◆ Director Lee reported on her participation in the District's Regular and Special Board Meetings, Finance Committee Meeting, Engineering Committee Meeting, Rowland Heights Woman's Club, PBWA Board Meeting, Walnut Family Festival, TVMWD Leadership Breakfast, Rowland Heights Buckboard Days Parade, District's Employee Appreciation BBQ, Diamond Bar State of the City, and DBCEA Halloween Spooktacular Party
- ◆ Director Tang advised that he attended the District's Regular and Special Board Meetings in addition to participating in all District Committee Meetings, Diamond Bar Women's Club Fundraising Event, Walnut Family Festival, Coffee with a Board Member, a Firescaping Workshop, and Walnut City Council Meeting,

Item 21: Legal Reports

- ◆ Mr. Ciampa did not have a report. (Item 21)

Item 22: Items for Future Discussion

- ◆ Director Lee requested a Special Workshop Meeting in January 2023 for a progress update on the meter conversion project. (Item 22)

Item 23: Board of Directors Business

- ◆ The Board was asked to adopt WVWD Resolution No. 11-22-712, authorizing remote teleconference meetings for the period November 14, 2022 to December 14, 2022. (Item 23-A)

Motion No. 22-11-1865: *Upon consideration thereof, it was moved by Director Lee, seconded by Director Kwong, and carried (5-0) by the roll call vote noted below, to adopt WVWD Resolution No. 11-22-712 authorizing remote teleconference meetings for the period November 14, 2022 to December 14, 2022. (Item 23-A)*

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

President Tang indicated Motion No. 22-11-1865, adopting Resolution No. 11-22-712, was approved by a (5-0) roll call vote

- ◆ The Board received notice of the ACWA's General Session Membership Meeting to be held on November 30, 2022. As Director Kwong and Director Tang are attending the meeting, Director Kwong will be the Delegate, and Director Tang will be the Alternate. (23-B)
- ◆ As a matter of information only, the Board received a Statement of Proceedings from the L.A. County Board of Supervisors. (23-C)

Adjourn to Closed Session- 6:11 P.M.**Item 24: Closed Session**

- ◆ The Board met in closed session in accordance with Government Code (§54957) to conduct the annual performance evaluation for the General Manager. (Item 24)

Item 25: Reconvene in Open Session/ Report of Action Taken in Closed Session - 6:31 P.M.

- ◆ The Board 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 25-A)
- ◆ Following discussion of the General Manager's overall performance, the Board was asked to consider at its discretion a salary or compensation adjustment to be effective January 1, 2023. Ms. Diaz noted that the General Manager's contract allows him to join the other District employees with the Cost of Living Adjustments (COLA) previously approved, and any further salary adjustment in the Board's discretion. (Item 25-B)

Motion No. 22-11-1866: *Upon consideration thereof, it was moved by Director Lee, seconded by Director Hilden, and carried (4-1) by the roll call vote noted below, to approve a 3% merit increase for the General Manager, along with the Cost of Living Adjustment given to all other District employees stipulated in the Terms and Conditions of Employment effective January 1, 2023 (Item 25-B)*

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

President Tang indicated Motion No. 22-11-1866, approved by a (4-1) roll call vote

Adjournment at 6:52 p.m.