

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

**November 16, 2020
MEETING CONDUCTED VIA WEBEX
AT:**

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

DIRECTORS PRESENT:

Edwin Hilden
Scarlett Kwong
Theresa Lee
Alfred Sinclair
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 5:00 p.m. with President Lee 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 Denise Jackman, Jody Roberto, and David De Jesus, Chief Financial Officer James Linthicum and General Manager Matt Litchfield, P.E; Kevin Hayakawa; Jayson Schmitt; Steve Lang.

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: 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 19, 2020, the minutes of the Special Board meeting held October 22, 2020, the Check Register, the Employee Expense Reimbursement Report, and the Community Outreach Report. (Item 6-1, 2, 3, 4, 5)

Motion No. 20-11-1591: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Sinclair, 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 October 19, 2020, the minutes of the Special Board meeting held October 22, 2020, the Check Register, the Employee Expense Reimbursement Report, and the Community Outreach Report. (Items 6-1, 2, 3, 4, 5)

Ayes: Hilden, Kwong, Lee, Sinclair, Tang

Noes: None

Absent: None

Abstain: None

President Lee indicated Motion No. 20-11-1591 was approved by a (5-0) roll call vote

Item 7: 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 2020. (Item 7)

Motion No. 20-11-1592: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Sinclair 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 2020. (Item 7)

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

President Lee indicated Motion No. 20-11-1592 was approved by a (5-0) roll call vote

Item 8: Treasurer's Report

- ◆ Mr. Byerrum presented the Financial Dashboard as of September 30, 2020, the District Statement of Revenue, Expenses, and Change in Net Assets as of September 30, 2020, the District Statement of Net Assets as of September 30, 2020, and Summary of Cash and Investments as of September 30, 2020. (Items 8-A, B, C, D)

Motion No. 20-11-1593: *Upon consideration thereof, it was moved by Director Hilden, seconded by Director Kwong and unanimously carried (5-0) by the roll call vote noted below, to receive, approve, and file the Financial Dashboard as of September 30, 2020, the District Statement of Revenue, Expenses, and Change in Net Assets as of September 30, 2020, the District Statement of Net Assets as of September 30, 2020, and Summary of Cash and Investments as of September 30, 2020. (Items 8-A, B, C, D)*

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

President Lee indicated Motion No. 20-11-1593 was approved by a (5-0) roll call vote

Committee Chair Reports

Item 9: Engineering Committee – Director Lee

- ◆ The Board was asked to authorize the General Manager to execute contracts for labor and materials for the main extension - Pathfinder Reservoir to Brea Canyon Road (P.N. 19-3626) per the bid results listed below; to find the project exempt pursuant to CEQA Categorical Exemption Section 15282(k) of the CEQA Guidelines; to authorize staff to file a Notice of Exemption from CEQA for the subject project with the office of the Los Angeles County Registrar-Recorder/County Clerk; and to authorize the appropriation of \$454,000 from the Capital Fund. (Item 9-A)

<u>Bid</u>	<u>Supplier</u>	<u>Price</u>	<u>Delivery</u>
Labor	Doty Bros. Equipment Co.	\$ 339,900.00	N/A
Steel Pipe	Western Water Works	\$ 42,702.81	7-10 Days
Resilient Wedge Gate Valves	S&J Supply Co.	\$ 4,200.58	Stock-3 Weeks
Ductile Iron Fittings & Miscellaneous Materials	Western Water Works	\$ 1,041.24	Stock-10 Days

Motion No. 20-11-1594: *Upon consideration thereof, it was moved by Director Kwong, seconded by Director Tang and unanimously carried (5-0) by the roll call vote noted below, to authorize the General Manager to execute contracts for labor and materials for the main extension - Pathfinder Reservoir to Brea Canyon Road (P.N. 19-3626) per the bid results listed below; to find the project P.N. 19-3626 exempt pursuant to CEQA Categorical Exemption Section 15282(k) of the CEQA Guidelines; to authorize staff to file a Notice of Exemption from CEQA for the subject project with the office of the Los Angeles County Registrar-Recorder/County Clerk; and to authorize the appropriation of \$454,000 from the Capital Fund.*

<u>Bid</u>	<u>Supplier</u>	<u>Price</u>	<u>Delivery</u>
Labor	Doty Bros. Equipment Co.	\$ 339,900.00	N/A
Steel Pipe	Western Water Works	\$ 42,702.81	7-10 Days
Resilient Wedge Gate Valves	S&J Supply Co.	\$ 4,200.58	Stock-3 Weeks
Ductile Iron Fittings & Miscellaneous Materials	Western Water Works	\$ 1,041.24	Stock-10 Days

(Item 9-A)

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

President Lee indicated Motion No. 20-11-1594 was approved by a (5-0) roll call vote

- ◆ The Board was asked to accept the work as installed for project P.N. 19-3624 IBC Building 2 at Industry Way and Buildings 11 & 12 at Baker Parkway and Grand Avenue, and to authorize the filing of the Notice of Completion for the subject project. (Item 9-B)

Motion No. 20-11-1595: *Upon consideration thereof, it was moved by Director Kwong, seconded by Director Sinclare and unanimously carried (5-0) by the roll call vote noted below,*

to accept the work as installed for project P.N. 19-3624 IBC Building 2 at Industry Way and Buildings 11 & 12 at Baker Parkway and Grand Avenue; and to authorize the filing of a Notice of Completion for the subject project. (Item 9-B)

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

President Lee indicated Motion No. 20-11-1595 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 9-C)

Item 10: Personnel Committee

- ◆ There are no Personnel Committee items to come before the Board at this time. (Item 10)

Item 11: Finance Committee

- ◆ 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 11-A)

Motion No. 20-11-1596: Upon consideration thereof, it was moved by Director Kwong, 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 October 31, 2020. (Item 11-A)

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

President Lee indicated Motion No. 20-11-1596 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 October 2020 included in the Board packet. (Item 11-B)

Motion No. 20-11-1597: Upon consideration thereof, it was moved by Director Kwong 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 October 1, 2020 through October 31, 2020. (Item 11-B)

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

President Lee indicated Motion No. 20-11-1597 was approved by a (5-0) roll call vote

- ◆ The Board was asked to approve staff's recommendation for the FY 2019-20 Source and Application of Funds to transfer from the General Account \$65,760 to the Operating Reserve; \$750,000 to the Employees Liabilities Reserve related to Employer OPEB liability and authorize the transfer of these funds to the OPEB Trust; \$431,900 to the Stored Water Reserve; \$250,000 to the Capital Improvement Reserve; \$2,811,780 to the Reserve for Replacement. (Item 11-C)

Motion No. 20-11-1598: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Tang and unanimously carried (5-0) by the roll call vote noted below, to approve staff's recommendation for the FY 2019-20 Source and Application of Funds to transfer from the General Account \$65,760 to the Operating Reserve; \$750,000 to the Employees Liabilities Reserve related to Employer OPEB liability and authorize the transfer of these funds to the OPEB Trust; \$431,900 to the Stored Water Reserve; \$250,000 to the Capital Improvement Reserve; \$2,811,780 to the Reserve for Replacement. (Item 11-C)

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

President Lee indicated Motion No. 20-11-1598 was approved by a (5-0) roll call vote

- ◆ The Board conducted its annual review of the Cash Reserve Policy. Staff explained that reserve levels met the minimum funding requirements and as a result no Board action was required. (Item 11-D)

- ◆ 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, 2021. (Item 11-E)

Motion No. 20-11-1599: *Upon consideration thereof, it was moved by Director Kwong, seconded by Director Tang and unanimously carried (5-0) by the roll call noted below, to approve adjustments to the District's Wholesale Potable Water Rates, effective January 1, 2021, as follows:*

Suburban Water Systems (Badillo Grand Line):

Monthly Base Rate: \$10,988
Commodity Rate: Tier I - \$1,117
Tier II - \$1,159

Golden State Water Company (Grand Avenue Connection):

Monthly Base Rate: \$1,147
Commodity Rate: Tier I - \$1,386
Tier II - \$1,428

(Item 11-E)

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

President Lee indicated Motion No. 20-11-1599 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 11-F)

Item 12: 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 12)

Item 13: TVMWD/MWD

- ◆ The Board received an update on TVMWD and MWD business matters. (Item 13)

Item 14: The P-W-R Joint Water Line Commission

- ◆ Included in the Board packet were the P-W-R Joint Water Line Commission water use report for the month of October 2020. (Item 14)

Item 15: Puente Basin Water Agency (PBWA)

- ◆ The next Puente Basin Water Agency meeting is scheduled for December 10, 2020, 7:00 a.m. (Item 15)

Item 16: Spadra Basin Groundwater Sustainability Agency

- ◆ Director Tang reported on business matters from the November 2, 2020 Spadra Basin GSA Executive Committee meeting. (Item 16)

Item 17: General Manager's Report

- ◆ The Board received the District's activities calendars December 2020, and January and February 2021. (Item 17-A)

Item 18 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 October 2020 was 10.38% lower than usage in October 2013. (Item 18-A)
- ◆ The Board viewed reports on California's water supply and reservoir conditions as of November 11, 2020. (Item 18-B)

Item 19: 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 19)

- ◆ Director Hilden advised that he participated in District Board and committee meetings, a Pomona-Walnut-Rowland Joint Water Line Commission meeting, and TVMWD Board meetings.
- ◆ In addition to the District Board and committee meetings previously reported on, Director Kwong noted her participation in a Pomona-Walnut-Rowland Joint Water Line Commission meeting, a San Gabriel Valley Regional Chamber Government Affairs Committee, a Chinese-American Elected Officials event, and completion of a District-required Target Solutions Defensive Drivers Training.

- ◆ Director Lee reported on her participation in the District Board and committee meetings, a Puente Basin Water Agency meeting, a District-hosted virtual landscape class, and CSDA SDLA Module 3 Virtual Workshops on The Board's Role in Finance.
- ◆ In addition to WVWD Board and committee meetings previously reported on, Director Sinclair noted his participation in a Spadra Basin GSA Advisory Committee meeting, TVMWD Board meetings, a Pomona-Walnut-Rowland Joint Water Line Commission meeting, ACWA CLE virtual workshops, and an Urban Water Institute meeting.
- ◆ In addition to WVWD Board and committee meetings previously reported on, Director Tang advised that he completed a District-required Target Solutions Defensive Drivers Training. He also made note of his participation in a District-hosted virtual landscape class, a Puente Basin Water Agency meeting, a Spadra Basin GSA Advisory Committee meeting, and a TVMWD Board meeting.

Item 20: Legal Reports

- ◆ Mr. Ciampa noted that a closed session would be held following the regular business meeting. (Item 20)

Item 21: Items for Future Discussion

- ◆ There were no requests for future discussion items. (Item 21)

Item 22: Board of Directors Business

- ◆ The Board acknowledged President Lee for her completion of the California Special Districts Association (CSDA) curriculum-based Special District Leadership Academy program. (Item 22)

Item 23: Public Comment on Closed Session

- ◆ There were no requests to comment on closed session items. (Item 23)

Item 24: Adjourn to Closed Session – 6:08 p.m.

Item 25: Closed Session – 6:09 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 25-A)
- B. The Board met in closed session in accordance with Government Code [§54956.9(d)(2)] to discuss initiation of litigation with Legal Counsel – One Potential Case. (Item 25-B)
- C. The Board met in closed session in accordance with Government Code (§54957) to conduct the annual performance evaluation for the General Manager. (Item 25-C)

Item 26: Reconvene in Open Session/Report of Action Taken in Closed Session – 6:36 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.

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.

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 26-A)

- B. 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, 2021. Ms. Diaz noted that the General Manager's contract allows him to join the other District employees with the Cost of Living Adjustments (COLA) and any further salary adjustment in the Board's discretion. (Item 26-B)

Motion No. 20-11-1600: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Tang and unanimously carried (5-0) by the roll call vote noted below, to approve a 1% merit increase for the General Manager, and any Cost-of-Living Adjustment given to all other District employees stipulated in the Terms and Conditions of Employment effective January 1, 2021. (Item 26-B)

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

President Lee indicated Motion No. 20-11-1600 was approved by a (5-0) roll call vote

Adjournment at 7:05 p.m.