

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

May 22, 2023
At the Office of the District
271 South Brea Canyon Road, Walnut, CA 91789

DIRECTORS PRESENT:

Theresa Lee
Jerry Tang
Scarlett Kwong
Henry Woo

DIRECTORS ABSENT:

Edwin Hilden

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
Jim Ciampa, Legal Counsel

The meeting was called to order at 5:00 p.m. with First Vice President Lee presiding.

Guests and others in attendance: Three Valleys Municipal Water District (TVMWD) Directors Mike Ti, Jody Roberto, and Chief Operating Officer Steve Lang. Also, in attendance, was Mr. Jayson Schmitt of Chandler Asset Management (attended virtually).

Item 3: Public Comment

- ◆ There were no requests. (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 reviewed current economic conditions and provided an update on the firm's investment activities on behalf of the District. The Board was asked to receive and file the report on District Investment activities. (Item 6)

Motion No. 23-05-1920: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Tang, and carried (4-0 with Director Hilden absent), to receive and file the report on District Investment activities. (Item 6)

First Vice President Lee indicated Motion No. 23-05-1920 was approved by a (4-0 with Director Hilden absent) 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 April 17, 2023, the Special Board meetings held April 20, 2023, the Check Register, the Employee Expense Reimbursement Report, and the Community Outreach Report. (Item 7 – A, B, C, D, E, F)

Motion No. 23-05-1921: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Tang, and carried (4-0 with Director Hilden absent), to approve the Consent Calendar, consisting of the minutes of the Regular Board meeting held April 17, 2023, the Special Board meetings held April 20, 2023, the Check Register, the Employee Expense Reimbursement Report, and the Community Outreach Report. (Item 7 – A, B, C, D, E, F)

First Vice President Lee indicated Motion No. 23-05-1921 was approved by a (4-0 with Director Hilden absent) 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 April 2023. (Item 8)

Motion No. 23-05-1922: Upon consideration thereof, it was moved by Director Tang, seconded by Director Kwong, and carried (4-0 with Director Hilden absent), 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 April 2023. (Item 8)

First Vice President Lee indicated Motion No. 23-05-1922 was approved by a (4-0 with Director Hilden absent) vote

Item 9: Treasurer's Reports

- ◆ Mr. Byerrum presented the Financial Dashboard as of March 31, 2023, the District Statement of Revenue, Expenses, and Change in Net Position as of March 31, 2023, the District Statement of Net Position as of March 31, 2023, and Summary of Cash and Investments as of March 31, 2023. (Items 9- A, B, C, D)

Motion No. 23-05-1923: Upon consideration thereof, it was moved by Director Woo, seconded by Director Tang, and carried (4-0 with Director Hilden absent), to receive, approve, and file the Financial Dashboard as of March 31, 2023, the District Statement of Revenue, Expenses, and Change in Net Position as of March 31, 2023, the District Statement of Net Position as of March 31, 2023, and Summary of Cash and Investments as of March 31, 2023. (Items 9- A, B, C, D)

First Vice President Lee indicated Motion No. 23-05-1923 was approved by a (4-0 with Director Hilden absent) vote

Committee Chair Reports**Item 10: Public Information/Community Relations/Legislative Action Committee – Director Kwong**

- ◆ The Board was asked to approve the implementation of an updated District logo that would replace the 70th Anniversary logo as that logo is phased out in June of 2023 (Item 10-A)

Motion No. 23-05-1924: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Woo, and carried (4-0 with Director Hilden absent), to approve the implementation of an updated District logo that would replace the 70th Anniversary logo as that logo is phased out in June of 2023. (Item 10-A)

First Vice President Lee indicated Motion No. 23-05-1924 was approved by a (4-0 with Director Hilden absent) vote

Item 11: Finance Committee – Director Lee

- ◆ The Board was asked to schedule a public hearing to be held during the regular June 19, 2023 Board meeting, to receive comments regarding the District's Standby Charge Assessment. (Item 11- A)

Motion No. 23-05-1925: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Tang, and carried (4-0 with Director Hilden absent), to schedule a public hearing to be held during the regular June 19, 2023 Board meeting, to receive comments regarding the District's Standby Charge Assessment. (Item 11- A)

First Vice President Lee indicated Motion No. 23-05-1925 was approved by a (4-0 with Director Hilden absent) vote

- ◆ The Board was asked to approve a Pension and OPEB Policy that will establish a methodology and a process for funding current and future costs associated with the Districts contractual obligations to provide pension and retiree medical benefits in accordance with the District's terms and conditions of employment. (Item 11-B)

Motion No. 23-05-1926: Upon consideration thereof, it was moved by Director Tang, seconded by Director Kwong, and carried (4-0 with Director Hilden absent), to approve a Pension and OPEB Policy, in the form presented, that will establish a methodology and a process for funding current and future costs associated with the Districts contractual obligations to provide pension and retiree medical benefits in accordance with the District's terms and conditions of employment. (Item 11-B)

First Vice President Lee indicated Motion No. 23-05-1926 was approved by a (4-0 with Director Hilden absent) vote

- ◆ The Board was asked to receive, approve, and file the District's Consolidated Investment Transactions Report for the month ending April 30, 2023. (Item 11-C)

Motion No. 23-05-1927: Upon consideration thereof, it was moved by Director Tang, seconded by Director Kwong, and carried (4-0 with Director Hilden absent), to receive and file the District's Consolidated Investment Transactions Report for the month ending April 30, 2023. (Item 11-C)

First Vice President Lee indicated Motion No. 23-05-1927 was approved by a (4-0 with Director Hilden absent) vote

- ◆ As a matter of information only, the Board received a Revenue Bond Funds Held in Trust report. (Item 11-D)

Item 12: Engineering Committee – Director Lee

- ◆ The Board was asked to authorize the General Manager to execute Change Order No. 4 for the IBC Recycled Water Reservoir (P.N. 14-3373RES) in the amount of \$38,010.13; and to execute the Mutual General Release and Settlement Agreement with Paso Robles Tank, Inc. for the subject project. (Item 12-A)

Motion No. 23-05-1928: Upon consideration thereof, it was moved by Director Woo, seconded by Director Lee, and carried (4-0 with Director Hilden absent), to authorize the General Manager to execute Change Order No. 4 for the IBC Recycled Water Reservoir (P.N. 14-3373RES) in the amount of \$38,010.13; and to execute the Mutual General Release and Settlement Agreement with Paso Robles Tank, Inc. for the subject project. (Item 12-A)

First Vice President Lee indicated Motion No. 23-05-1928 was approved by a (4-0 with Director Hilden absent) vote

- ◆ Mr. Monk reviewed the Operations Report included in the Board Packet. No action was taken by the Board. (Item 12-B)

Item 13: Personnel Committee – Director Tang

- ◆ The Board was asked to adopt the Resolution of Intention to amend the District's Contract with the California Public Employees Retirement System. (Item 13-A)

Motion No. 23-05-1929: Upon consideration thereof, it was moved by Director Tang, seconded by Director Kwong, and carried (4-0 with Director Hilden absent), to adopt the Resolution of Intention to amend the District's Contract with the California Public Employees Retirement System in the form presented. (Item 13-A)

First Vice President Lee indicated Motion No. 23-05-1929 was approved by a (4-0 with Director Hilden absent) vote

Item 14: TVMWD/MWD

- ◆ Updates on TVMWD and MWD business matters were provided by TVMWD Chief Operating Officer Stave Lang. (Item 14)

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

- ◆ Mr. Monk reported on the P-W-R Joint Water Line Commission water use report for the month of April 2023. (Item 15)

Item 16: Puente Basin Water Agency (PBWA)

- ◆ The Board was asked to ratify the Puente Basin Water Agency FY 2023-24 Budget, as approved by the PBWA Commission at the April 6, 2023 meeting. (Item 16-A)

Motion No. 23-05-1930: Upon consideration thereof, it was moved by Director Woo, seconded by Director Kwong and carried (4-0 with Director Hilden absent), to ratify the Puente Basin Water Agency FY 2023-24 Budget. (Item 16-A)

First Vice President Lee indicated Motion No. 23-05-1930 was approved by a (4-0 with Director Hilden absent) vote

- ◆ Director Lee reported on the April 6, 2023 Puente Basin Water Agency meeting. (Item 16-B)

Item 17: Spadra Basin Groundwater Sustainability Agency

- ◆ Director Tang reported on the May 22, 2023 Spadra Basin Executive Committee meeting. (Item 17)

Item 18: General Manager's Report

- ◆ The Board received the District's activities calendars for June, July, and August 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 2023 purchased water estimate, conservation goal summary, climate summary, and 2023 monthly water consumption versus the 2013 and 2020 baseline years. The report noted that the District's water usage for April 2023 was 6% lower than usage in April 2020 and 41% lower than usage in April 2013. (Item 19-A)
- ◆ The Board viewed reports on California's water supply and reservoir conditions as of May 1, 2023. (Item 19-B)

Item 20: Directors' Oral Reports

(NOTE: Board meeting minutes provide written reports of Board meeting, Committee meetings, and District associated activities. Directors may include reports of their participation in non-expense or per diem paid community events as a matter of information.) (Item 20)

- ◆ Although Director Hilden was not in attendance to report on his activities for the month of April, his expense report noted his attendance at the following events/meetings: District's Regular and Special Board Meetings, all Committee Meetings, Community Water Festival, Walnut City Council Meeting, Walnut Valley Educational Foundation Gala, and both TVMWD's Regular Board Meetings.
- ◆ Director Kwong reported the following for the month of April: District's Regular and Special Board Meetings, Diamond Bar City Council Meeting, the Engineering and Public Information Committee Meetings, Ethics Training, WVUSD Board Meeting, Water Festival Press Conference, Community Water Festival, and the Chinese-American Elected Officials Board Election.
- ◆ Director Lee reported on her participation in the PBWA Board meeting, Diamond Bar Women's Club Presentation, Water Festival Press Conference, and Community Water Festival.
- ◆ Director Tang advised that he attended the District's Regular and Special Board Meetings, all District Committee Meetings, Walnut City Council Meeting, worked on pricing objectives for the Water Rate Study, Water Festival Press Conference, Community Water Festival, and the Walnut City Council Meeting.
- ◆ Director Woo reported the following for the month of April: District's Regular and Special Board Meeting, all District Committee Meetings, Rowland Heights Community Coordinating Council Announcing Meeting, TVMWD's Regular Board Meeting, Community Water Festival, Puente Basin Water Agency Meeting, and the Walnut City Council meeting.

Item 21: Legal Reports

- ◆ There was no legal report from Mr. Ciampa (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 received an update from Mr. Hitchman in regards to the ACWA JPIA refund checks. (Item 23-A)
- ◆ Mr. Hitchman reported that the ACWA Region 8 Nominating Committee is currently seeking candidates for the Region 8 Board; and the ACWA's Election Committee announced its call for candidates for the ACWA President and Vice President. (Item 23-B)
- ◆ The Board received a 2023 ACWA Elections Authorized Voting Representative form, that requested the District to designate its voting representative for the upcoming ACWA elections for President and Vice President. The selection will default to the General Manager if no Board member is designated.(Item 23-C)

Adjournment at 6:11 p.m.