

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

December 11, 2023  
At the Office of the District  
271 South Brea Canyon Road, Walnut, CA 91789

## **DIRECTORS PRESENT:**

Edwin Hilden  
Scarlett Kwong  
Jerry Tang  
Henry Woo

## **DIRECTORS ABSENT:**

Theresa Lee

## **STAFF PRESENT:**

Erik Hitchman, General Manager/Chief Engineer  
Josh Byerrum, Director of Finance  
Lily Lopez, Director of External Affairs & Sustainability  
Thomas Monk, Director of Operations  
Bertha Perez, Senior Engineer  
Lucie Cazares, Executive Secretary  
Alexandra Cortez, Administrative Assistant  
Andy Turner, Legal Counsel

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

Guests and others in attendance: Three Valleys Municipal Water District (TVMWD) Director Mike Ti, David de Jesus, Jody Roberto, and TVMWD Chief Operating Officer Steve Lang. Also, in attendance virtually were Mr. Christopher J. Brown of C.J. Brown & Company CPAs, Mr. Jayson Schmitt, and Mr. Christopher McCurry of Chandler Asset Management.

### **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 and Mr. Christopher McCurry 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. 23-12-1985: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Tang, and carried 4-0 (with Director Lee absent) to receive and file the report on District Investment activities. (Item 6)***

**President Hilden indicated Motion No. 23-12-1985 was approved by a 4-0 (with Director Lee 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 November 13, 2023, the Special Board Meeting held November 16, 2023, the Special Board Meeting held December 4, 2023, the Check Register, the Employee Expense Reimbursement Report, and the Community Outreach Report. (Item 7 – A, B, C, D, E, F)

***Motion No. 23-12-1986: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Tang, and carried 4-0 (with Director Lee absent) to approve the Consent Calendar, consisting of the minutes of the Regular Board meeting held November 13, 2023, the Special Board Meeting held November 16, 2023, the Special Board Meeting held December 4, 2023, the Check Register, the Employee Expense Reimbursement Report, and the Community Outreach Report. (Item 7 – A, B, C, D, E, F)***

**President Hilden indicated Motion No. 23-12-1986 was approved by a 4-0 (with Director Lee 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 November 2023. (Item 8)

***Motion No. 23-12-1987: Upon consideration thereof, it was moved by Director Tang, seconded by Director Kwong, and carried 4-0 (with Director Lee 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 November 2023. (Item 8)***

**President Hilden indicated Motion No. 23-12-1987 by a 4-0 (with Director Lee absent) vote**

**Item 9: Treasurer's Reports**

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

***Motion No. 23-12-1988: Upon consideration thereof, it was moved by Director Tang, seconded by Director Kwong, and carried 4-0 (with Director Lee absent), to receive, approve, and file the Financial Dashboard as of October 31, 2023, the District Statement of Revenue, Expenses, and Change in Net Position as of October 31, 2023, the District Statement of Net Position as of October 31, 2023, and the Summary of Cash and Investments as of October 31, 2023. (Items 9 - A, B, C, D)***

**President Hilden indicated Motion No. 23-12-1988 was approved by a 4-0 (with Director Lee absent) vote**

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

- ◆ There were no Public Information/Community Relations/Legislative Action Committee matters to come before the Board at this time. (Item 10)

**Item 11: Finance Committee – Director Tang**

- ◆ The Board was asked to receive, approve, and file the Annual Comprehensive Financial Report for Fiscal Year Ending June 30, 2023. In Preparation for and during the audit, District staff prepared materials and worked directly with the auditing team, C.J. Brown & Company CPAs. Mr. Chris Brown of the auditing team noted that C.J. Brown & Company CPAs found the District's financial reporting to comply with Generally Accepted Accounting Principles (GAAP), and as such, issued an Unqualified Opinion, the highest-level opinion an entity can receive. Additionally, the Report on Internal Controls noted that the District had no significant deficiencies or material weaknesses in internal controls. Further, the auditor noted no transactions that were both significant and unusual, and no misstatements were identified during the audit. (Item 11-A)

***Motion No. 23-12-1989: Upon consideration thereof, it was moved by Director Tang, seconded by Director Woo, and carried 4-0 (with Director Lee absent), to receive, approve, and file the Annual Comprehensive Financial Report for Fiscal Year Ending June 30, 2023. (Items 11-A)***

**President Hilden indicated Motion No. 23-11-1989 was approved by a 4-0 (with Director Lee absent) vote**

- ◆ Mr. Byerrum reviewed the District's investment transaction report for the period ending November 30, 2023. The Board was then asked to receive, approve, and file the investment transactions report. (Item 11-B)

***Motion No. 23-12-1990: Upon consideration thereof, it was moved by Director Woo, seconded by Director Kwong, and carried 4-0 (with Director Lee absent), to receive, approve, and file the investment transactions report. (Item 11-B)***

**President Hilden indicated Motion No. 23-12-1990 was approved by a 4-0 (with Director Lee absent) vote**

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

**Item 12: Engineering Committee – Director Woo**

- ◆ The Board was asked to authorize the General Manager to execute a contract for materials with West Coast Pipe for the 57/60 Freeway and Grand Ave Improvement (P.N. 20-3681) for \$272,357.16. (Item 12-A)

***Motion No. 23-12-1991: Upon consideration thereof, it was moved by Director Tang, seconded by Director Woo, and carried 4-0 (with Director Lee absent), to authorize the General Manager to execute a contract for materials with West Coast Pipe for the 57/60 Freeway and Grand Ave Improvement (P.N. 20-3681) for \$272,357.16. (Item 12-A)***

**President Hilden indicated Motion No. 23-12-1991 was approved by a 4-0 (with Director Lee 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**

- ◆ There were no Personnel Committee matters to come before the Board at this time. (Item 13)

**Item 14: TVMWD/MWD**

- ◆ Updates on TVMWD/MWD business matters were provided by TVMWD Chief Operating Officer Steve Lang and Director David De Jesus. (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 October 2023. (Item 15)

**Item 16: Puente Basin Water Agency (PBWA)**

- ◆ Director Woo stated there was no information to report to the Board. (Item 16)

**Item 17: Spadra Basin Groundwater Sustainability Agency**

- ◆ Director Tang reported on the December 4, 2023, Executive Committee meeting. The next meeting scheduled for January 2, 2024 (Item 17)

**Item 18: General Manager's Report**

- ◆ The Board received the District's activities calendars for January, February, and March 2024. (Item 18-A)
- ◆ The Board recognized the District for its recent ACWA/JPIA President's Special Recognition Award. (Item 18-B)
- ◆ The Board recognized Ms. Carmen Fleming for her recent completion of the ACWA/JPIA Professional Development Program- Human Resource Certification Program. (Item 18-C)
- ◆ The Board recognized Mr. Alex Cabrera for his recent completion of the ACWA/JPIA Professional Development Program- Human Resource and Supervisor Basics Certification Program. (Item 18-D)

**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 November 2023 was 16.26% lower than usage in November 2020 and 27.22% lower than usage in November 2013. (Item 19-A)
- ◆ The Board viewed reports on California's water supply and reservoir conditions as of December 4, 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)

- ◆ Director Hilden reported the following on his activities for November: the District's Regular and Special Board Meetings, all Committee meetings, TVMWD Board meetings, DB Veterans Recognition Ceremony, signing the GM contract, and the DB community foundation Gala.

- ◆ Director Kwong reported on the following activities for October: the CEO Workshop for effective engagement with legislators, the District's Regular and Special Board Meetings, the Public Information Committee meeting, the WVWD workshop, and translating for the Water Saver Appreciation invitation.
- ◆ Although Director Lee was not in attendance to report on her activities for November, her expense report noted her attendance at the following meetings/events: The District's Regular and Special Board meeting, Finance Committee and Engineering Committee meeting, and the SPADRA Executive Committee meeting.
- ◆ Director Tang reported on the following for November: District's Regular and Special Board meetings, all committee meetings, the SPADRA Executive Committee meeting, the WVWD workshop, translating for WVWD's outreach event, and WVWD GM interview questions review and revisions.
- ◆ Director Woo reported the following for November: The District's Regular and Special Board meeting, the Public Information Committee Meeting, the Engineering Committee Meeting, the TVMWD Board meeting, and the ACWA conference. Director Lee also included a revised report for October.

### **Item 21: Legal Reports**

- ◆ There were no legal reports to come before the Board at this time. (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 of the seventh amendment to the General Manager's Employment contract reflective of a 4% salary adjustment, as approved at the November 13 Board of Directors' meeting, and a 4% Cost-of-Living Adjustment provided to all District employees in the Terms and Conditions of Employment for 2023-2027. (Item 23-A)

***Motion No. 23-12-1992: Upon consideration thereof, it was moved by Director Tang, seconded by Director Hilden, and carried 4-0 (with Director Lee absent), to approve the seventh amendment to the General Manager's Employment Contract reflective of a previously approved 4% salary adjustment and a 4% Cost-of-Living Adjustment, effective January 1, 2024 (Item 23-A)***

**President Hilden indicated Motion No. 23-12-1992 was approved by a 4-0 (with Director Lee absent) vote**

- ◆ The Board was asked to approve the 2024 Walnut Valley Water District Board meeting and workshop schedule, noting that subsequent adjustments may be made by the Board in accordance with the Brown Act. (Item 23-B)

***Motion No. 23-12-1993: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Tang, and carried 4-0 (with Director Lee absent), to approve the CY 2024 Board and Workshop meeting schedule as presented. (Item 23-B)***

**President Hilden indicated Motion No. 23-12-1993 was approved by a 4-0 (with Director Lee absent) vote**

- ◆ Officers were rotated in accordance with the "Board Reorganization Rotation Policy."  
Theresa Lee, President  
Scarlett P. Kwong, First Vice President  
Jerry Tang, Second Vice President  
Henry Woo, Assistant Treasurer  
Edwin Hilden, Director  
(Item 23-C)

***Motion No. 23-12-1994: Upon consideration thereof, it was moved by Director Woo, seconded by Director Kwong, and carried 4-0 (with Director Lee absent), to approve the Rotation of Officers as noted above. (Item 23-C)***

**President Hilden indicated Motion No. 23-12-1994 was approved by a 4-0 (with Director Lee absent) vote**

- ◆ It was determined that Board appointments to the offices of Secretary, Assistant Secretary, Treasurer, and Second Assistant Treasurer would be as follows: Erik Hitchman, Secretary; Joshua Byerrum, Treasurer; Lucie Cazares, Assistant Secretary; Jared Macias, Second Assistant Treasurer. (Item 23-C)

***Motion No. 23-12-1995: Upon consideration thereof, it was moved by Director Tang, seconded by Director Kwong, and carried 4-0 (with Director Lee absent), to approve the Board appointments as noted above. (Item 23-C)***

**President Hilden indicated Motion No. 23-12-1995 was approved by a 4-0 (with Director Lee absent) vote**

- ◆ The Board was asked to defer the appointment of the Annual Board Commission and Agency Assignment selection for calendar year 2023. No Board action was taken at this time. (Item 23-C)
- ◆ The Board was asked to approve the General Manager's Employment Contract as drafted by Legal Counsel. The proposed contract, with a provision for a three-year extension, will be effective March 1, 2024. The contract is for an annual salary of \$250,929 and does not include an auto allowance. (Item 23-D)

***Motion No. 23-12-1996: Upon consideration thereof, it was moved by Director Woo, seconded by Director Tang, and carried 4-0 (with Director Lee absent), to approve the General Manager's Employment Contract as drafted by Legal Counsel. (Item 23-D)***

**President Hilden indicated Motion No. 23-12-1996 was approved by a 4-0 (with Director Lee absent) vote**

- ◆ A schedule of 2023 key conferences/events was provided to the Board as a matter of information only. (Item 23-E)

**Adjournment at 6:14 p.m.**