

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

May 20, 2024  
At the Office of the District  
271 South Brea Canyon Road, Walnut, CA 91789

## DIRECTORS PRESENT:

Edwin Hilden  
Scarlett Kwong  
Theresa Lee  
Jerry Tang (Left @ 5:59 p.m.)  
Henry Woo

## DIRECTORS ABSENT:

None

## STAFF PRESENT:

Sherry Shaw, General Manager/Chief Engineer  
Jared Macias, Assistant General Manager  
Josh Byerrum, Director of Finance  
Donna DiLaura, External Affairs & Sustainability Manager  
Bertha Perez, Engineering Supervisor  
Alanna Diaz, Director of Administrative Services  
Tom Monk, Director of Operations  
Carmen Fleming, Sr. Executive Assistant  
Alexandra Cortez, Administrative Assistant  
Jim Ciampa, Legal Counsel

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

Guests and others in attendance: Three Valleys Municipal Water District (TVMWD) Directors Jody Roberto and David de Jesus. Also in attendance were Mr. Brian Forbath of Stradling Law (attended via teleconference), Mr. Jayson Schmitt of Chandler Asset Management (attended virtually), and Mr. Christopher McCarry of Chandler Asset Management (attended virtually).

### **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 reordering of the agenda. (Item 5)

### **Item 6: Public Hearing: Consideration of the Approval of the Water Revenue Bond Documents**

- ◆ President Lee opened the public hearing to receive comments regarding the approval of the Water Revenue Bond Documents.

***Motion No. 24-05-2036: Upon consideration thereof, it was moved by Director Tang, seconded by Director Hilden, and unanimously carried 5-0 to open the public hearing to receive comments regarding the approval of the Water Revenue Bond Documents. (Item 6 – A)***

**President Lee indicated Motion No. 24-05-2036 was approved by a (5-0) vote**

- ◆ Mr. Byerrum informed the Board that Mr. Brian Forbath, a representative of Stradling Law, was present to respond to public comments. No public comments were received. (Item 6-B, C)
- ◆ There being no public comments, the public hearing was closed. (Item 6-D)

***Motion No. 24-05-2037: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Kwong, and unanimously carried 5-0 to close the public hearing regarding the approval of the Water Revenue Bond Documents (Item 6-D)***

**President Lee indicated Motion No. 24-05-2037 was approved by a (5-0) vote**

- ◆ The Board was asked to adopt Resolution No. 05-24-733, approving the execution and delivery of an Installment Purchase Agreement for the purpose of causing the issuance of not to exceed \$35,000,000 aggregate principal amount of Water Revenue Bonds, Series 2024, and approving the execution and delivery of certain documents in connection therewith and certain other matters relating thereto. (Item 6-F)

***Motion No. 24-05-2038: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Hilden, and unanimously carried 5-0 by roll call vote noted below to adopt Resolution No. 05-24-733, approving the execution and delivery of an Installment Purchase Agreement for the purpose of causing the issuance of not to exceed \$35,000,000 aggregate principal amount of Water Revenue Bonds, Series 2024, and approving the execution and delivery of certain documents in connection therewith and certain other matters relating thereto. (Item 6-F)***

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

**President Lee indicated Motion No. 24-05-2038, adopting Resolution No. 05-24-733, was approved by a (5-0) roll call vote**

- ◆ The Board was asked to approve the transfer of \$3,000,000 into the Rate Stabilization Reserve and authorize staff to withdraw money from the Rate Stabilization Fund in Fiscal Years 2025 and 2026, as needed, to ensure compliance with the District's financial covenants under the 2024 bond issuance and prior debt service. (Item 6-F)

***Motion No. 24-05-2039: Upon consideration thereof, it was moved by Director Tang, seconded by Director Hilden, and unanimously carried 5-0 to approve the transfer of \$3,000,000 into the Rate Stabilization Reserve and authorize staff to withdraw money from the Rate Stabilization Fund in Fiscal Years 2025 and 2026, as needed, to ensure compliance with the District's financial covenants under the 2024 bond issuance and prior debt service. (Item 6-F)***

**President Lee indicated Motion No. 24-05-2039 was approved by a (5-0) vote**

**Item 7: Review of District Investment Activities by Mr. Jayson Schmitt, Representative of Chandler Asset Management**

- ◆ Mr. Jayson Schmitt and Mr. Christopher McCarry 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 7)

***Motion No. 24-05-2040: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Kwong, and unanimously carried 5-0 to receive and file the report on District Investment Activities. (Item 7)***

**President Lee indicated Motion No. 24-05-2040 was approved by a (5-0) vote**

**Item 8: 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 15, 2024, the Special Board meeting held April 18, 2024, the Check Register, the Employee Expense Reimbursement Report, and the Community Outreach Report. (Item 8 – A, B, C, D, E)

***Motion No. 24-05-2041: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Tang, and unanimously carried 5-0 to approve the Consent Calendar, consisting of the minutes of the Regular Board meeting held April 15, 2024, the Special Board meeting held April 18, 2024, the Check Register, the Employee Expense Reimbursement Report, and the Community Outreach Report. (Item 8 – A, B, C, D, E)***

**President Lee indicated Motion No. 24-05-2041 was approved by a (5-0) vote**

**Item 9: 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 April 2024. (Item 9)

***Motion No. 24-05-2042: Upon consideration thereof, it was moved by Director Tang, seconded by Director Hilden, and unanimously carried 5-0 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 April 2024. (Item 9)***

**President Lee indicated Motion No. 24-05-2042 was approved by a (5-0) vote**

**Item 10: Treasurer’s Reports**

- ◆ Mr. Byerrum presented the Financial Dashboard as of March 31, 2024, the District Statement of Revenue, Expenses, and Change in Net Position as of March 31, 2024, the District Statement of Net Position as of March 31, 2024, and the Summary of Cash and Investments as of March 31, 2024. (Items 10- A, B, C, D)

***Motion No. 24-05-2043: Upon consideration thereof, it was moved by Director Lee, seconded by Director Kwong, and unanimously carried 5-0 to receive, approve, and file the Financial Dashboard as of March 31, 2024, the District Statement of Revenue, Expenses, and Change in Net Position as of March 31, 2024, the District Statement of Net Position as of March 31, 2024, and the Summary of Cash and Investments as of March 31, 2024 (Items 10 - A, B, C, D)***

**President Lee indicated Motion No. 24-05-2043 was approved by a (5-0) vote**

**Committee Chair Reports**

**Item 11: Public Information/Community Relations/Legislative Action Committee – Director Kwong**

- There are no items to come to the Board at this time.

**Item 12: Finance Committee – Director Lee**

- ◆ The Board was asked to schedule a public hearing to be held during the regular June 17, 2024 Board meeting, to receive comments regarding the District’s Standby Charge Assessment. (Item 12-A)

***Motion No. 24-05-2044: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Hilden, and unanimously carried 5-0 to schedule a public hearing to be held during the regular June 17, 2024 Board meeting, to receive comments regarding District’s Standby Charge Assessment. (Item 12-A)***

**President Lee indicated Motion No. 24-05-2044 was approved by a (5-0) vote**

- ◆ The Board was asked to approve an amendment to the FY 2023-24 Budget consisting of an increase in the Operations department in the amount of \$350,000, and an increase in General and Administrative in the amount of \$122,000 (Item 12-B)

***Motion No. 24-05-2045: Upon consideration thereof, it was moved by Director Woo, seconded by Director Kwong, and unanimously carried 5-0 to approve an amendment to the FY 2023-24 Budget consisting of an increase in the Operations department in the amount of \$350,000, and an increase in General and Administrative in the amount of \$122,000 (Item 12-B)***

**President Lee indicated Motion No. 24-05-2045 was approved by a (5-0) vote**

- ◆ Mr. Byerrum reviewed the District's investment transaction report for the period ending March 31, 2024. The Board was then asked to receive, approve, and file the investment transaction report (Item 12-C)

***Motion No. 24-05-2046: Upon consideration thereof, it was moved by Director Tang, seconded by Director Hilden, and unanimously carried 5-0 to receive, approve, and file the investment transactions report for the period ended March 31, 2024. (Item 12-C)***

**President Lee indicated Motion No. 24-05-2046 was approved by a (5-0) vote**

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

**Item 13: Engineering Committee – Director Woo**

- ◆ The Board was asked to award a contract to DPR Construction (DPR) in the amount of \$19,612,768.00 for the construction of the District Headquarters Remodel Phase 1; and Authorize the General Manager to execute the contract in a form acceptable to the General Counsel. (Item 13-A)
- ◆ The Board discussed the proposed contract award in detail and requested additional information, including a presentation from Searock & Stafford Construction Management. (Item 13-A)

***Motion No. 24-05-2047: Upon consideration thereof, it was moved by Director Lee, seconded by Director Woo, and carried 4-0 (with Director Tang absent) to table the item. (Item 13-A)***

**President Lee indicated Motion No. 24-05-2047 was approved by a 4-0 (with Director Tang absent) vote**

- ◆ Mr. Monk reviewed the Operations Report included in the Board Packet. No action was taken by the Board. (Item 13-B)

**Item 14: Personnel Committee – Director Lee**

- ◆ There are no Personnel items to come before the Board at this time. (Item 14)

**Item 15: TVMWD/MWD**

- ◆ Updates on TVMWD/MWD business matters were provided by TVMWD Director David De Jesus. (Item 15)

**Item 16: 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 months of March and April 2024. (Item 16)

**Item 17: Puente Basin Water Agency (PBWA)**

- ◆ Director Lee reported that PBWA was dark for the month of March. (Item 17)

**Item 18: Spadra Basin Groundwater Sustainability Agency**

- ◆ In Director Tang's absence, Director Lee reported on the May 6<sup>th</sup> Spadra Basin Executive Committee meeting. (Item 18)

**Item 19: General Manager's Report**

- ◆ The Board received the District's activities calendars for June, July, and August 2024. (Item 19-A)
- ◆ The Board recognized Shawna Seals for being awarded the ACWA JPIA H.R. LaBounty Safety award. (Item 19-B)

**Item 20: Water Supply and Conservation**

- ◆ The Board received reports and graphs of the following items: District potable and recycled water use, Calendar Year 2024 purchased water estimate, conservation goal summary, climate summary, and 2024 monthly water consumption versus the 2013 and 2020 baseline years. The report noted that the District's water usage for April 2024 was 8.79% lower than usage in April 2020 and 42.61% lower than usage in April 2013. (Item 20-A)
- ◆ The Board viewed reports on California's water supply and reservoir conditions as of May 02, 2024. (Item 20-B)

### **Item 21: 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 21)

- ◆ Director Hilden reported the following on his activities for April: The District's Regular and Special Board meetings, TVMWD Board meetings, DB City Council water proclamation presentation, President Lee's Happy Harbour Dinner, DB golf course reopening ceremony, Earth Day water festival, public safety community leaders bbq, and poster contest winners presentation.
- ◆ Director Kwong reported on the following activities for April: The District's Regular and Special Board meetings, the Public Information Committee meeting, the Engineering Committee meeting, the PBWA meeting, the DB City Birthday, the RCCSGV Government Affairs Committee, the WVUSD Board meeting, the Public Safety and Community Appreciation Bbq, and the Student Recognition Ceremony.
- ◆ Director Lee reported on the following activities for April: The District's Regular and Special Board meeting, Finance Committee meeting, Diamond Bar City Council Meeting, WVUSD Board meeting, Diamond Bar Golf Course Reopening Celebration, WVWD Earth Day Event, WVWD Community and Public Safety Appreciation Luncheon, and the WVWD Student Poster and Media Award Ceremony
- ◆ Although Director Tang was not in attendance to report on his activities for April, his expense report noted his attendance at the following meetings/events: The District's Regular and Special Board meeting, Public Information Committee meeting, Finance Committee meeting, Water Awareness Month Proclamation at the City of Diamond Bar and Walnut Valley Unified School District, WVWD Water Festival, WVWD Public Safety and Community Appreciation Lunch, and WVWD Student Recognition Ceremony.
- ◆ Director Woo reported on the following activities for April: The District's Regular Board meeting, Finance Committee meeting, and TVMWD Board Meetings.

### **Item 22: Legal Reports**

- ◆ Mr. Ciampa reported the State Water Resources Control Board released the new version of the Water Use Efficiency regulations earlier in the day. Mr. Ciampa also reported that on May 16, the revised cost estimate for the Delta Conveyance Project was released, which showed increases in the project costs of approximately \$4 billion dollars, but that innovations being considered would reduce the cost by approximately \$1.8 billion. (Item 22)

### **Item 23: Items for Future Discussion**

- ◆ There were no requests for future discussion items. (Item 23)

### **Item 24: Board of Directors Business**

- ◆ The Board was asked to authorize the General Manager to purchase two 2024 Ford F-150 work trucks and one 2024 Ford F-250 work truck, including outfitting, at a cost not to exceed \$194,000; and authorize the appropriation of an additional \$10,000 from reserves into the Replacement Fund. (Item 24-A)

***Motion No. 24-05-2048: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Woo, and carried 4-0 (with Director Tang absent) to authorize the General Manager to purchase two 2024 Ford F-150 work trucks and one 2024 Ford F-250 work truck, including outfitting, at a cost not to exceed \$194,000; and authorize the appropriation of an additional \$10,000 from reserves into the Replacement Fund. (Item 24-A)***

**President Lee indicated Motion No. 24-05-2048 was approved by a 4-0 (with Director Tang absent) vote**

- ◆ As a matter of information only, the Board received the election results for the Local Agency Formation Commission (LAFCO). (Item 24-B)

### **Adjournment at 6:45 p.m.**