

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

November 13, 2023
At the Office of the District
271 South Brea Canyon Road, Walnut, CA 91789

DIRECTORS PRESENT:

Edwin Hilden
Theresa Lee
Scarlett Kwong
Jerry Tang
Henry Woo

STAFF PRESENT:

Erik Hitchman, General Manager/Chief Engineer
Jared Macias, Assistant General Manager
Josh Byerrum, Director of Finance
Lily Lopez, Director of External Affairs & Sustainability
Thomas Monk, Director of Operations
Sherry Shaw, Director of Engineering
Alanna Diaz, Director of Administrative Services
Lucie Cazares, Executive Secretary
Alexandra Cortez, Administrative Assistant
Jim Ciampa, Legal Counsel (by telephone until 5:16 p.m., then arrived in person)

DIRECTORS ABSENT:

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 and TVMWD General Manager Matt Litchfield.

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: 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 16, 2023, Special Board Meeting held October 19, 2023, the Check Register, the Employee Expense Reimbursement Report, and the Community Outreach Report. (Item 6 – A, B, C, D, E)

Motion No. 23-11-1978: Upon consideration thereof, it was moved by Director Lee, seconded by Director Tang, and unanimously carried 5-0 to approve the Consent Calendar, consisting of the minutes of the Regular Board meeting held October 16, 2023, Special Board Meeting held October 19, 2023, the Check Register, the Employee Expense Reimbursement Report, and the Community Outreach Report. (Item 6 – A, B, C, D, E)

President Hilden indicated Motion No. 23-11-1978 was approved by a 5-0 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 2023. (Item 7)

Motion No. 23-11-1979: Upon consideration thereof, it was moved by Director Lee, seconded by Director Kwong, 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 the month of October 2023. (Item 7)

President Hilden indicated Motion No. 23-11-1979 was approved by a 5-0 vote

Item 8: Treasurer's Reports

- ◆ Mr. Byerrum presented the Financial Dashboard as of September 30, 2023, the District Statement of Revenue, Expenses, and Change in Net Position as of September 30, 2023, the District Statement of Net Position as of September 30, 2023, and Summary of Cash and Investments as of September 30, 2023. (Items 8 - A, B, C, D)

Motion No. 23-11-1980: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Lee, and unanimously carried 5-0, to receive, approve, and file the Financial Dashboard as of September 30, 2023, the District Statement of Revenue, Expenses, and Change in Net Position as of September 30, 2023, the District Statement of Net Position as of September 30, 2023, and Summary of Cash and Investments as of September 30, 2023. (Items 8 - A, B, C, D)

President Hilden indicated Motion No. 23-11-1980 was approved by a 5-0 vote

Committee Chair Reports**Item 9: Public Information/Community Relations/Legislative Action Committee – President Hilden**

- ◆ There were no Public Information/Community Relations/Legislative Action Committee matters to come before the Board at this time. (Item 9)

Item 10: Finance Committee – Director Lee

- ◆ The Board was asked to approve the Cash Reserve Policy. Staff reviewed the reserve policy and is not recommending any changes. (Item 10-A)

Motion No. 23-11-1981: Upon consideration thereof, it was moved by Director Lee, seconded by Director Tang, and unanimously carried 5-0, to approve the Cash Reserve Policy in its current form. (Items 10-A)

President Hilden indicated Motion No. 23-11-1981 was approved by a 5-0 vote

- ◆ The Board was asked to approve adjustments to the District's Wholesale Potable Water Rates, effective January 1, 2024 (Item 10-B)

Motion No. 23-11-1982: Upon consideration thereof, it was moved by Director Lee, seconded by Director Kwong, and unanimously carried 5-0, to approve adjustments to the District's Wholesale Potable Water Rates, to be effective as of January 1, 2024, as follows:

Suburban Water Systems (Badillo Grand Line)

- a. Monthly Base Rate \$14,168***
- b. Commodity Rate***
 - Tier I \$1,281***
 - Tier II \$1,480***

Golden State Water Company (Grand Avenue Connection)

- a. Monthly Base Rate \$1,705***
- b. Commodity Rate***
 - Tier I \$1,420***
 - Tier II \$1,619***

(Items 10-B)

President Hilden indicated Motion No. 23-11-1982 was approved by a 5-0 vote

- ◆ Mr. Byerrum reviewed the District's investment transaction report for the period ending October 31, 2023. The Board was then asked to receive, approve, and file the investment transactions report. (Item 10-C)

Motion No. 23-11-1983: Upon consideration thereof, it was moved by Director Tang, seconded by Director Lee, and unanimously carried 5-0, to receive, approve, and file the investment transactions report. (Item 10-C)

President Hilden indicated Motion No. 23-11-1983 was approved by a 5-0 vote

- ◆ As a matter of information only, the Board received a Revenue Bond Funds Held in Trust report. (10-D)

Item 11: Engineering Committee – Director Lee

- ◆ Mr. Monk reviewed the Operations Report included in the Board Packet. No action was taken by the Board. (Item 11-A)

Item 12: Personnel Committee – Director Tang

- ◆ Ms. Diaz gave the Board an update on the GM internal recruitment. As this item was information only, no action was taken. (Item 12-A)

Item 13: TVMWD/MWD

- ◆ Updates on TVMWD/MWD business matters were provided by TVMWD General Manager Matt Litchfield. (Item 13)

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

- ◆ Mr. Monk indicated that the report for October 2023 will be presented at the December Board meeting. (Item 14)

Item 15: Puente Basin Water Agency (PBWA)

- ◆ Director Lee reported no meeting occurred. (Item 15)

Item 16: Spadra Basin Groundwater Sustainability Agency

- ◆ Director Tang reported on the November 6, 2023 Executive Committee meeting. (Item 16)

Item 17: General Manager's Report

- ◆ The Board received the District's activities calendars for December 2023, January and February 2024. (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, 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 October 2023 was 25.25% lower than usage in October 2020 and 33% lower than usage in October 2013. (Item 18-A)
- ◆ The Board viewed reports on California's water supply and reservoir conditions as of November 6, 2023. (Item 18-B)

Item 19: 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 19)

- ◆ Director Hilden reported the following on his activities for the month of October: District's Regular and Special Board Meetings, all Committee meetings, TVMWD Board meetings, Employee BBQ, and the TVMWD Leadership breakfast.
- ◆ Director Kwong reported on the following activities for the month of October: CEO Workshop for Motivational Interviewing and the TVMWD Leadership Breakfast.
- ◆ Director Lee reported on the following for the month of October: District's Regular and Special Board meeting, Finance Committee, Personnel Committee, Engineering Committee meeting, PBWA Board Meeting, Succession Planning Meeting, Employee Appreciation Luncheon, Rowland Heights Buckboard Parade, and TVMWD Leadership Breakfast.
- ◆ Director Tang reported on the following for the month of October: District's Regular and Special Board meeting, all committee meetings, Ad-hoc committee meeting, Suzanne CAPA Board Meeting, Buckboard Day's Parade, and TVMWD Leadership Breakfast
- ◆ Director Woo reported the following for the month of October: District's Regular and Special Board meeting, Public Information Committee Meeting, and Engineering Committee Meeting.

Item 20: Legal Reports

- ◆ Mr. Ciampa reported on Governor Newsom's veto of AB 249 regarding lead testing and on the signing of AB 755, which adds requirements to disclose high water users in rate studies. (Item 20)

Item 21: Items for Future Discussion

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

Item 22: Board of Directors Business

- ◆ As a matter of information only, the Board received the election results for Local Agency Formation Commission Election of Alternate Special District Representative. (Item 22-A)

Adjourn to Closed Session – 5:25 P.M.**Item 23: 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 23)

Item 24: Reconvene in Open Session/ Report of Action Taken in Closed Session – 5:28 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 24-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, 2024. 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 24-B)

Motion No. 23-11-1984: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Tang, and unanimously carried 5-0, to approve a 4% merit increase for the General Manager, along with the Cost of Living Adjustment given to all other District employees as stipulated in the Terms and Conditions of Employment effective January 1, 2024. (Item 24-B)

President Hilden indicated Motion No. 23-11-1984 was approved by a 5-0 vote

Adjournment at 5:39 p.m.