

MINUTES
REGULAR BOARD MEETING
of the
WEST VALLEY WATER DISTRICT
April 20, 2017

PRESENT **ABSENT**

- ✓
- ✓
- ✓
- ✓
- ✓

DIRECTORS

- Dr. Clifford Young, Sr., President
- Linda Gonzalez, Vice President
- Gregory Young, Director
- Donald Olinger, Director
- Robert Bourland, Director

STAFF

- ✓
- ✓
- ✓
- ✓
- ✓
- ✓
- ✓
- ✓
- ✓

- ✓

- Matthew H. Litchfield, P.E., General Manager
- Robert Christman, Interim Chief Financial Officer
- Karen Logue, Human Resources/Risk Manager
- Wendy Strack, External Affairs Manager
- Linda Jadeski, Engineering Services Manager
- Jon Stephenson, Business Systems Manager
- Joanne Chan, Operations Manager
- Lauren Albrecht, Public Affairs Analyst
- Shanae Smith, Board Secretary

LEGAL

- ✓

- David J. Olivas, Tafoya & Garcia, LLP

VISITORS

- Tom Shalhoub, Director, Yucaipa Valley Water District
- June B. Hayes, Director, SBV Municipal Water District
- Anthony and Diana Araiza
- Scott Olsen, San Bernardino County Republican Central Committee

The Regular meeting of the Board of Directors was called to order by Dr. Clifford Young, Sr., at 6:00 p.m. at the District Headquarters, 855 W. Baseline Road, Rialto, CA.

OPENING CEREMONIES

Pledge of Allegiance – Director Robert Bourland
Opening Prayer – Director Donald Olinger
Roll Call of Board Members – Quorum

ADOPT AGENDA

Director Young made a motion to Adopt the Agenda as presented, seconded by Vice President Gonzalez. The motion carried by the following unanimous vote:

Ayes:	Directors: Gonzalez, Olinger, Young, Bourland, Young, Sr.
Noes:	Directors: None
Absent:	Directors: None
Abstain:	Directors: None

PUBLIC PARTICIPATION

President Young indicated that any person wishing to speak to the West Valley Water District (“District”) Board of Directors (“Board”) on matters listed or not listed on the agenda, within its jurisdiction, is asked to complete a Speaker Card and submit it to the District Clerk. Each speaker is limited to three (3) minutes. Under the State of California Brown Act, the Board is prohibited from discussing or taking action on any item not listed on the posted agenda. Comments related to noticed Public Hearing(s) and Business Matters will be heard during the occurrence of the item.

Mr. Anthony Araiza commented that he is disappointed that the Board had not done something to put the long term care issue on the agenda. It is now close to \$7,000 that is costing the ratepayers to pay for an insurance policy that Mr. Young had at Cal State San Bernardino and that something should be done about it. Mr. Araiza asked the Board to consider putting it on agenda to talk about in an open forum. Director Bourland responded that he took a personal action item to look into this and has spoken with attorney, David J. Olivas, who is researching it right now. As soon as we receive a legal position on it, we will bring back for the public. Mr. Araiza clarified that he had issues with the way it was done, not whether it is legal or not, as the Board did vote on it legally and he understands that. Mr. Araiza concluded by addressing Director Young and clarified that the issue has nothing to do with medical, as the full Board has medical insurance. It has to do with an insurance policy and that he should be concerned, as the ratepayers in Bloomington get hurt worse than anybody, as they are the poor people down there that he bragged about during the election. This is something Mr. Young had way before coming to this District and that he had it at Cal State University of San Bernardino and now receiving a stipend here for it here now.

Ms. June B. Hayes, Director of the San Bernardino Valley Municipal Water District (“Valley District”) commented that it is a pleasure to always be here and to remind the Board that there is still some money available in the conservation funds and that she is here to serve the District. If any of the District’s ratepayers have any questions or concerns related to Valley District, she is more than happy to be in touch with them.

CONSENT CALENDAR

Following discussion, Director Young made a motion to approve the Consent Calendar as amended, seconded by Vice President Gonzalez. The motion carried by the following vote:

Ayes:	Directors:	Gonzalez, Olinger, Young, Bourland, Young, Sr.
Noes:	Directors:	None
Absent:	Directors:	None
Abstain:	Directors:	None

BUSINESS MATTERS

- 1. Approval of Resolution No. 2017-10, Adopting New Mission, Vision and Values Statements** – General Manager Matthew H. Litchfield introduced Mr. Patrick O’Reilly, CEO of OPR Communications who presented the proposed mission, vision and values statements. Mr. O’Reilly provided background and answered questions from members of the Board. Following the presentation, Director Young made a motion to Approve Resolution No. 2017-10, Adopting New Mission, Vision and Values Statements, seconded by Director Olinger. The motion carried by the following unanimous vote:

Ayes:	Directors:	Gonzalez, Olinger, Young, Bourland, Young, Sr.
Noes:	Directors:	None
Absent:	Directors:	None
Abstain:	Directors:	None

- 2. Approval of Agreement for Professional Services with Creative Management Solutions, Inc. for District-Wide Compensation and Classification Study** – Following discussion, Vice President Gonzalez made a motion to Approve an Agreement for Professional Services with Creative Management Solutions, Inc. for District-Wide Compensation and Classification Study, seconded by Director Bourland. Director Bourland amended the motion to include interviews of Board members. The motion passed by the following vote:

Ayes:	Directors:	Gonzalez, Olinger, Bourland
Noes:	Directors:	Young, Young, Sr.
Absent:	Directors:	None
Abstain:	Directors:	None

- 3. Approval of Agreement for Professional Services with Akel Engineering Group, Inc. for the 2017 Water Master Plan** – Following discussion, Director Olinger made a motion to Approve an Agreement for Professional Services with Akel Engineering Group, Inc. for the 2017 Water Master Plan, seconded by Director Young. The motion carried by the following unanimous vote:

Ayes: Directors: **Gonzalez, Olinger, Young, Bourland, Young, Sr.**
Noes: Directors: **None**
Absent: Directors: **None**
Abstain: Directors: **None**

REPORTS – LIMITED TO 5 MINUTES MAXIMUM (Presentations or handouts must be provided to Board Members in advance of Board Meeting).

1. Board Reports

Vice President Gonzalez reported on the following:

- a. Thanked members of the audience for attending the meeting.
- b. Apr. 10th – Attended the Human Resources (“HR”) Committee meeting. It’s great to be on the HR Committee again. The HR Manager is fantastic in bringing all the information to us and always prepared.
- c. Apr. 17th – Attended the Association of San Bernardino County Special Districts (ASBCSD) membership meeting in Chino Hills. The speaker, Curt Hagman was excellent. He talked about the Ontario Airport and how he will bring more lines in and it was worth the drive getting stuck in traffic. Scholarship funds were also given out to a couple of recipients. It was nicely attended.
- d. Apr. 18th – Attended the Valley District Board meeting. The meetings are excellent and kudos to their Chair. A report with all the legislative bills is included in the Valley District packet and it provides the numbers, as well as a description of the bill and she likes how that was incorporated in the packet. Vice President Gonzalez stated she would provide the packet to general counsel.
- e. Congratulated her twenty-two year old nephew who graduated from Cal State University of San Bernardino two (2) years ago and on May 12th, he will graduate from the University of Southern California (“USC”) and she is very proud of him. He is also her God son. His father passed away recently and she is very proud of her sister who has raised three boys by herself.

Director Olinger had no report.

Director Young reported on the following:

- a. Thanked everyone for attending the meeting.
- b. Apr. 1st - Attended the District’s landscaping class located at the Rialto Senior Center. We had a very good turn-out, with approximately forty people. There were quite a few West Valley constituents with a lot of really good questions.

- c. Requested to close out the meeting in honor of his great uncle Ernest “Ernie” Keith Parke who was an engineer for Caltrans for over forty years in this region, and was a real important part of his life and this community.

Director Bourland reported on the following:

- a. Thanked fellow Board members, Staff and everyone else who is very patiently helping tutelage him so that he can get up to speed with what is going on so that he can be a greater asset to the Board.

President Young had no report.

2. Legal Counsel/Consultants

No report.

3. General Manager

Mr. Litchfield reported on the following:

- a. 2017 Projected Water Supplies Report – Summarized a one page analysis of our current water supply situation in both annual and peak day formats. Reviewed the full capacity of the District’s water production facilities in comparison to current demands on the system. Looking at the current water supply sources, including groundwater wells, imported water from the Baseline Feeder, and sources of water supply from State Water Project (“SWP”) water. Time of use numbers take into the fact the District has a lot of rotating equipment, including a lot of wells are disabled in the summer months between June and September, from noon until 6:00 p.m. to meet the time of use schedule per the Southern California Edison (“SCE”). Worst case analysis based on last year’s production, we have approximately 18,000 acre feet per year of additional capacity of what is projected as demands. The District is IN very good shape and English and Spanish versions of the messaging is provided on the analysis. Vice President Gonzalez inquired whether the information would be provided to the public on the District’s website. A discussion ensued regarding the placement of the messaging and how it may be carried through on monthly bills, inserts, as well as and the District’s website.

Ms. Hayes commented on comments made by Vice President Gonzalez earlier in the meeting regarding the legislative report included in the Valley District Board packet. Ms. Hayes clarified that Valley District’s lobbyist prepared the legislative report, not general counsel and that Valley District had been visited recently by their state lobbyist who provided an overview of all those bills. They are preparing for Senate Bill 555 which requires us to keep close tabs on water loss starting in October 2017.

Mr. Tom Shalhoub, Director of Yucaipa Valley Water District inquired about what percentage of the District’s production is imported water. Mr. Litchfield confirmed it is less than 10%. President Young inquired as to how much water is purchased from Valley District. A discussion ensued regarding the District’s need for SWP water on a year to year basis, which is ultimately based upon the SWP water allocation. Following discussion, President Young requested a five (5) year chart which would identify

all sources of supply by percentage. President Young also requested a report on major customers and their usage and a report on what the average bills that our retail customers are paying. Interim Chief Financial Officer, Mr. Robert Christman clarified that the information President Young had requested is available as part of the bond refinance documentation provided to Standard and Poor's for the bond rating and that he could provide it to members of the Board.

4. Interim Chief Financial Officer

Mr. Christman reported on the following:

- a. The new auditing firm will be making its first visit to our offices next Monday to coordinate the beginning of audit process for the year ending June 30, 2017.
- b. The change in banks from Bank of America to J.P. Morgan Chase will be complete by May 1st. The process has taken a little longer than anticipated due to issues with credit card processing.
- c. Apr. 19th – Attended the Finance Committee meeting. Mr. Christman led a discussion with the Board regarding possible meeting dates for coordination of the 2017/2018 FY Budget schedule. Following discussion, the Board agreed to the following schedule:
 - i. Jun. 1st - Regular Board meeting will be dedicated to the Budget presentation.
 - ii. Jun. 5th – Special Board meeting to continue budget presentation, if necessary.
 - iii. Jun. 15th – Adoption of the 2017/2018 Budget.

5. Operations Manager

Ms. Joanne Chan presented an Operations Update including the following:

- Fire Hydrant Maintenance - Over 400 fire hydrants painted in Zones 4 & 5
- Reservoir and Well Site Inspections, Cleaning and Painting
- Flushing Program for Water Quality
- Emergency Operations Training – Functional Exercise
- Precipitation Index
- Rainfall Tracking

6. Treasurer

The Treasurer's Report is included in the packet for reference.

7. Engineering Services Manager

Ms. Linda Jadeski reported on the following:

- a. Apr. 19th – Valley District conducted a bid opening for the Hydroelectric Plant at the District's Oliver P. Roemer Treatment Plant ("OPRWTP"). Six (6) bids were received and are under review.

- b. Completed Housing Tracts - Dr. Horton is still working to complete 152 homes they are working on. Lennar Homes had just completed a 128 home tract in Roseana Ranch. There is also several new housing tracts are in plan check, including, 77 homes with Crestwood Communities on Cactus Avenue; Lewis Development's Arboretum Project, which has three (3) tracts, for a total of 593 homes; and Wild Rose Village's 110 homes, for a total of 1,060 new homes. A discussion ensued.

8. External Affairs

Ms. Wendy Strack reported on the following:

- a. Conservation – March conservation percentage was 18%, which is a little lower than what we expect in the winter due to the reservoir draining and cleaning. The cumulative savings since June is 23% over 2013 usage. Last week a conservation garden unveiling took place at Joe Baca Middle School and photos are included in the packet from the event.
- b. Update on Grant Programs – The WECAN Turf Replacement Grant project is currently being implemented with approximately 70 customers. A total of approximately 9,300 square feet of turf has been replaced in the District through the program. The grand total will be 65,000 square feet. A kick-off meeting is scheduled with the Santa Ana Watershed Project Authority (“SAWPA”) regarding the WaterSmart Turf Replacement Grant.
- c. The External Affairs team has been honored by the California Association of Public Information Officials with an Award of Excellence, their highest honor for media-focused messaging on the FBR Project. Vice President Gonzalez led a discussion about the happy kids at the Joe Baca Middle School and their Avid Program, which now includes water.

9. Human Resources/Risk Manager

Ms. Karen Logue reported on the following:

- a. The Employee Salary Committee has convened and completed a survey of the employees regarding a proposed compensation and benefits package for the 2017/18 FY. Some items were removed as a result of meeting with the HR and General Manager. Some items have been forwarded on to the Accounting Department to be costed out and the Committee will reconvene on Friday, April 28th at 10:00 a.m. to discuss. President Young inquired whether Board members were on the Committee. Ms. Logue confirmed that two (2) directors on the Committee.

10. Business Systems Manager

No report.

11. Board Secretary

No report.

CLOSED SESSION

At 7:08 p.m., the Board convened to Closed Session. At 8:25 p.m., the Board convened to open session and Mr. Olivas reported the following:

- CONFERENCE WITH LEGAL COUNSEL – PUBLIC EMPLOYEE APPOINTMENT - Pursuant to Government Code Section 54957 – Title: Chief Financial Officer – Instructions were given to Staff concerning this matter.
- CONFERENCE WITH LEGAL COUNSEL – PUBLIC EMPLOYEE EVALUATION - Pursuant to Government Code Section 54957 – Title: External Affairs Manager – Instructions were given to Staff concerning this matter.

FUTURE AGENDA ITEMS

INFORMATION

None.

THERE BEING NO FURTHER BUSINESS, DIRECTOR YOUNG MOVED TO ADJOURN THE MEETING IN HONOR OF HIS GREAT UNCLE ERNEST “ERNIE” KEITH PARKE AT 8:22 P.M.

Dr. Clifford Young, Sr.
President of the Board of Directors
of West Valley Water District

ATTEST:

Shanae Smith, Board Secretary