

AMENDED MINUTES
REGULAR BOARD MEETING
of the
WEST VALLEY WATER DISTRICT
January 17, 2019

Attendee Name	Present	Absent	Excused
Michael Taylor	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kyle Crowther	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Donald Olinger	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Clifford Young	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gregory Young	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Clarence Mansell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Crystal L. Escalera	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ricardo Pacheco	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Deborah Martinez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Joanne Chan	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Linda Jadeski	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jon Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Robert Tafoya	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

VISITORS:

June Hayes,
Gill Navarro,

OPENING CEREMONIES

Pledge of Allegiance - Lead by Don Olinger
Opening Prayer - Lead by Kyle Crowther
Call to Order
Roll Call of Board Members

ADOPT AGENDA

A motion to adopt the agenda was made by President Dr. Taylor and second by Vice President Crowther. The motion passed by the following vote:

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Michael Taylor, President
SECONDER:	Kyle Crowther, Vice President
AYES:	Michael Taylor, Kyle Crowther, Donald Olinger, Clifford Young, Gregory Young

BOARD PRESENTATIONS

- Southern California Edison South Generation Incentive Program (SGIP) Check Presentation.

Virginia Velasquez, Jennifer Shaw, and Espy Brache from Southern California Edison (SCE) were in attendance to present an incentive check to the district. Linda Jadeski explained to the Board that the Oliver Roemer Plant is part of the South Generation Incentive Program (SGIP) offered by SCE and will generate enough electricity to offset its electrical cost and bring savings to the district. The SCE representatives presented a check and photos were taken with the Board Directors.

- Eisenhower High School Football Team Recognition.

Assistant General Manager, Ricardo Pacheco introduced the Eisenhower High School football team. Eisenhower High School ended with a 14-1 season and advanced to the CIF championship. The West Valley Water District sponsored four meals for the football team through the season. Director Olinger attended some of these dinners on behalf of the district along with district staff. The district also provided reusable water bottles and water to the team. Mr. Pacheco thanked the Eisenhower High School administration, Principal Frank Camacho, Head Coach Al Brown, Athletic Director Monique Marquez. Mr. Pacheco also let the audience know any future questions or future support request can be made to the External Affairs department who will be glad to give you more information. He then invited the Board of Directors to join the attending football team and administrators to take a picture and to present the team with a certificate. Following the pictures, Head Coach Al Brown reciprocated the presentation of a certificate of appreciation, football team photo and autographed football to the Directors. Further pictures were taken and the Board resumed with the agenda.

PUBLIC PARTICIPATION

Don Griggs and Bobbie Koenig made comments to the board.

WVWD

Minutes: 1/17/19

CONSENT CALENDAR

Director Dr. Young motioned to pass the Consent Calendar with a change to "Approval" for the December and November 2018 Cash Disbursement Report to "Receive and File." Director Greg Young second the motion which passed by the following vote:

1. APPROVAL OF DECEMBER 2018 CASH DISBURSEMENTS REPORT

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Clifford Young, Director
SECONDER:	Gregory Young, Director
AYES:	Michael Taylor, Kyle Crowther, Donald Olinger, Clifford Young, Gregory Young

2. APPROVAL OF NOVEMBER 2018 CASH DISBURSEMENTS REPORT

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Clifford Young, Director
SECONDER:	Gregory Young, Director
AYES:	Michael Taylor, Kyle Crowther, Donald Olinger, Clifford Young, Gregory Young

3. CONSIDER A WATER SYSTEMS INFRASTRUCTURE INSTALLATION AND CONVEYANCE AGREEMENT WITH CASMALIA HOLDINGS, LLC

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Clifford Young, Director
SECONDER:	Gregory Young, Director
AYES:	Michael Taylor, Kyle Crowther, Donald Olinger, Clifford Young, Gregory Young

BUSINESS MATTERS

4. CONSIDER A REQUEST FROM K. HOVNANIAN COMMUNITIES, INC. TO DIVIDE THE DEVELOP BILLING LETTER INTO MULTIPLE PAYMENTS.

Director Greg Young discussed what consequences the district would have if the proposed fee schedule were to be approved and what the financial impact would be. Linda Jadeski responded to Director Young's questions and the Board engaged in further discussion. General Manager Mansell clarified the payments would be paid in full by the end of the fiscal year and would be secured by a bond. Director Dr. Young motioned to approve the request by K. Hovnanian. Vice President Crowther second the vote and it passed by the following vote:

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Gregory Young, Director
SECONDER:	Kyle Crowther, Vice President
AYES:	Michael Taylor, Kyle Crowther, Donald Olinger, Clifford Young, Gregory Young

5. CONSIDER AWARD OF CONTRACT FOR CUSTOMER SERVICE FOYER RENOVATION PROJECT TO CALTEC CORP.

Director Greg Young opened up the discussion and felt the cost of the project was too high and suggested budgeting the item during the next fiscal year. Director Dr. Young agreed and motioned to not approve this item. Director Greg Young second the motion. The Directors continued to discuss the cost of the renovation and questioned if delaying the project would increase it further. Vice President Crowther stated that postponing the project any longer would only cause the project to increase in cost. He also discussed the budget of the project and cost saving opportunities that were identified by Ricardo Pacheco. A vote was taken following this conversation and failed 3-2 as recorded below:

REJECT THE AWARD OF CONTRACT FOR CUSTOMER SERVICE FOYER RENOVATION PROJECT TO CALTEC CORP.

RESULT:	DEFEATED [2 TO 3]
MOVER:	Clifford Young, Director
SECONDER:	Gregory Young, Director
AYES:	Clifford Young, Gregory Young
NAYS:	Michael Taylor, Kyle Crowther, Donald Olinger

CONSIDER AWARD OF CONTRACT FOR CUSTOMER SERVICE FOYER RENOVATION PROJECT TO CALTEC CORP.

Following the failed vote to not approve this item, Vice President Kyle Crowther motioned to accept the item as presented. Director Olinger second the motion and the motion passed 3-2 by the following vote:

RESULT:	APPROVED [3 TO 2]
MOVER:	Kyle Crowther, Vice President
SECONDER:	Donald Olinger, Director
AYES:	Michael Taylor, Kyle Crowther, Donald Olinger
NAYS:	Clifford Young, Gregory Young

6. ELECTRONIC COMMUNICATIONS POLICY ACKNOWLEDGEMENT FORM

President Dr. Taylor motioned to pass items No. 6 and 7 in a single vote. Director Dr. Young made a substitute motion to pass Items No. 6 and 7 with a presentation for Item No. 7. Director Greg Young second the motion and the Board voted unanimously to pass the substitute motion. The presentation was given following Item No. 5.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Clifford Young, Director
SECONDER:	Gregory Young, Director
AYES:	Michael Taylor, Kyle Crowther, Donald Olinger, Clifford Young, Gregory Young

7. WEST VALLEY CAFR 2017-2018

President Dr. Taylor motioned to pass items No. 6 and 7 in a single vote. Director Dr. Young made a substitute motion to pass Items No. 6 and 7 with a presentation for Item No. 7. Director Greg Young second the motion and the Board voted unanimously to pass the substitute motion. The presentation was given following Item No. 5.

Brad from Roger, Anderson, Melody and Scott (RAMS) presented to the Board a brief report on the opinion letter their firm prepared for the Comprehensive Annual Financial Report (CAFR) for fiscal year 2018. The report included was an “unmodified report” which is the highest level of assurance auditors can provide on a set of financial statements. Also included in the report was an award the district received the previous fiscal year showing the districts adherence to the highest level of financial reporting from the Government Finance Officers Association (GFOA). RAMS also felt very strongly that the report for 2018 would also receive this award. He also informed the Board that if they had come across any issues during their audit it would have also been reported in the CAFR. Brad applauded the efforts made by the districts to address items found in the past and to correct those issues. This concluded his report and there were no questions from the Board.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Clifford Young, Director
SECONDER:	Gregory Young, Director
AYES:	Michael Taylor, Kyle Crowther, Donald Olinger, Clifford Young, Gregory Young

8. RESOLUTION 2019-1 PROVIDING FOR THE CREATION OF THE WATER SUPPLY RELIABILITY 2025 PROGRAM

Director Greg Young motioned to table the resolution to allow time for additional research on the subject. Discussion then ensued resulting in an amended motion being put forth by Director Greg Young to move this item to a Board Workshop at a later date. Director Olinger second the motion and it pass unanimously. President Dr. Taylor instructed Mr. Mansell to set a date for the workshop as soon as possible.

RESULT:	TABLED [UNANIMOUS]
MOVER:	Clifford Young, Director
SECONDER:	Gregory Young, Director
AYES:	Michael Taylor, Kyle Crowther, Donald Olinger, Clifford Young, Gregory Young

9. APPROVAL OF CONTRACT FOR ROB KATHERMAN CONSULTING

General Manager Mansell gave a verbal report to the Board of the events that led up to the current contract being presented for Robert Katherman as outlined in the staff report included in the packet. Directors Greg Young and Dr. Young stated concerns regarding the terms of the contract and overall cost. Discussion ensued regarding the terms of the contract and if Mr. Katherman disclosed any conflicts of interest he may have with the district. Further discussion occurred resulting with President Dr. Taylor making a motion to approve the contract for Rob Katherman Consulting as presented, second by Vice President Crowther. The vote passed 3-2. Following the vote, Dr. Young requested Legal Counsel to bring back to the Board the regulations he cited during the discussion regarding gifts and contributions to elected officials

and what the elected officials can and cannot vote on.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Michael Taylor, President
SECONDER:	Kyle Crowther, Vice President
AYES:	Michael Taylor, Kyle Crowther, Donald Olinger, Clifford Young, Gregory Young

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

- **Board Members**

- Director Olinger: No report
- Director Greg Young: Thanked members of the community that have inquired about his mother's help. He also expressed his gratitude to the West Valley Water District team that assisted in putting the Roemer Plant tour together for Don Griggs and his community partners. Director Greg Young also commented to a letter received over the weekend from the districts CFO, Naisha Davis, notifying the Board of detailing disturbing claims of the lack of internal controls and the shifting of money without Board approval. Director Young requested an action item to be placed on the next Board agenda *"To send a formal request to the State Controller's Office to conduct a full independent financial audit of all financial dealings of the West Valley Water District over the past two year including all contracts, all contractors including contractors used by legal counsel for West Valley Water District business."* The Board agreed to the agenda item and will take the item up at the February 7, 2018 regular Board of Directors meeting.
- Director Dr. Young: Reported on the City of Fontana's Development presentation he attended in the morning and was impressed with the growth and success of the city. He also commented on the city of Rialto's growth and was proud of West Valley Water Districts service to these areas.
- Vice President Crowther: Thanked Southern California Edison for coming out and Don Griggs for his attendance of the Roemer tour. He also commented on the growth of Fontana and thanked the community members that were in attendance.
- President Dr. Taylor: Echoed the statement made by Vice President Crowther.

- **Legal Counsel**

- Mr. Tafoya reported during Closed Session the Board gave instruction to retain legal counsel regarding several investigations. The investigations are as follows: complaint filed by Patricia Romero with the FPPC; complaint filed by Patricia Romero with the District Attorney's Office against the West Valley Water District, Dr. Michael Taylor, Mr. Crowther, Mr. Olinger, Mr. Mansell, Mr. Pacheco, Mrs. Martinez, Ms. Blount, Mr. Katherman, Mr. Rodriguez, and Mr. Willoughby; complaint by Mrs. Martinez, Mr. Pacheco and Mr. Mansell against Dr. Young; complaint by Mr. Griggs and Mr. Brown to the Attorney General; and a complaint by Naisha Davis against Mr. Mansell.

- **General Manager**

- Ricardo Pacheco introduced Telat Yalcin, the districts GIS Coordinator. Mr. Yalcin presented to the Board a web application the District is currently working on that will allow the end user to access an online map from a computer or cell phone that

will give the user information on the new District Divisions. This is an effort being put forth by the district to help inform our customers of the newly implemented district Divisions and to inform the customer who their elected Division Director is. The web application is still being worked on and will be available in the near future.

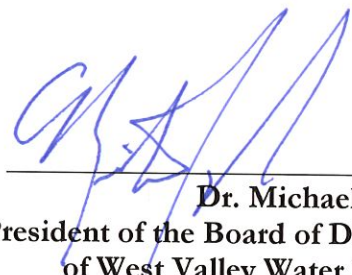
CLOSED SESSION

Mr. Tafoya reported during Closed Session the Board gave instruction to retain legal counsel regarding several investigations. The investigations are as follows: complaint filed by Patricia Romero with the FPPC; complaint filed by Patricia Romero with the District Attorney's Office against the West Valley Water District, Dr. Michael Taylor, Mr. Crowther, Mr. Olinger, Mr. Mansell, Mr. Pacheco, Mrs. Martinez, Ms. Blount, Mr. Katherman, Mr. Rodriguez, and Mr. Willoughby; complaint by Mrs. Martinez, Mr. Pacheco and Mr. Mansell against Dr. Young; complaint by Mr. Griggs and Mr. Brown to the Attorney General; and a complaint by Naisha Davis against Mr. Mansell.

- CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Pursuant to paragraph one (1) of subdivision (d) of Government Code Section 54956.9 Case Name: International Union of Operating Engineers Local 12 v. WVWD Charge No. LA-CE-1319-M
- CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION - Pursuant to Government Code Section 54956.9(a): San Bernardino Valley Municipal Water District, et al., v San Gabriel Valley Company, et al; San Bernardino County Superior Court Case No. CIVDS1311085 / Fourth District Court of Appeal Division Two, Case No. E063180.
- CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Pursuant to paragraph one (1) of subdivision (d) of Government Code Section 54956.9 Case Name: Karen Logue v. West Valley Water District Case No.: CIVDS1818381
- CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: Number of Cases: Three (3)


ADJOURN

The meeting adjourned at 8:15 PM.



Dr. Michael Taylor
President of the Board of Directors
of West Valley Water District

ATTEST:


Crystal L. Escalera, Board Secretary