

MINUTES
REGULAR BOARD MEETING
of the
WEST VALLEY WATER DISTRICT
June 1, 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
- ✓ Shanae Smith, Board Secretary
- ✓ Rosa Gutierrez, Associate Engineer
- ✓ Diana Gunn, Purchasing Analyst
- ✓ Alexis Garcia, Associate Engineer
- ✓ Leta Ferguson, Water Quality
- ✓ Maria Guerrero, Customer Service Representative II
- ✓ Daisy Farias, Water Conservation Specialist
- ✓ Lauren Albrecht, Public Affairs Analyst

LEGAL

- ✓ Michael Davis, Gresham, Savage, Nolan & Tilden, PC
- ✓ Derek Hoffman, Gresham, Savage, Nolan & Tilden, PC

VISITORS

Greg Gage
Tom Shalhoub, Director, Yucaipa Valley Water District
Anthony and Diana Araiza, Residents

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 – Vice President Gonzalez
Opening Prayer – Director Robert Bourland
Roll Call of Board Members – Quorum

President Young requested the Board of Directors (“Board”) to take up Business Item No. 1 prior to the adoption of the agenda in order to recognize David Irmscher for twenty-six years of dedicated service to the District. Comments were made by members of the Board, as well as visitors in the audience, including previous General Manager, Mr. Anthony Araiza. A photograph was taken to memorialize the event.

General Counsel, Mr. Michael Davis requested that the Board convene to Closed Session to discuss three (3) items and that the Board has requested a status report on all matters that have been assigned to Counsel and that he would report in Open Session on those Open Session items. There is a need to convene to Closed Session on the Closed Session items. We have three (3) items related to personnel matters, pursuant to Government Code Section 54957, one (1) pending litigation pursuant to Government Code Section 54956.9(a) and three (3) pending or anticipated litigation, pursuant to Government Code Section 54956.9(b)1. In addition, in order to memorialize the Closed Session meeting on May 25, 2017, minutes for the Board’s consideration and approval and must be accommodated in Closed Session. Finally, the Board directed Mr. Davis to deal with an issue regarding the General Manager’s review, pursuant to Government Code Section 54957, which needs to be handled in Closed Session.

ADOPT AGENDA

Director Olinger made a motion to Adopt the amended Agenda to include a Closed Session with the three items identified by General Counsel at the conclusion at the Open Session, seconded by Director Bourland. 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 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.

Mrs. Diana Araiza commented on the Long Term Care issue. Mrs. Araiza referenced a staff report and a copy of the articles in question that was given to the Board members in their packets on question on June 2, 2016. With a little experience with secretarial work and talking to recently retired District employees, she discovered that Ordinance No. 72 was not straightforward. Mrs. Araiza stated she had taken Article 203(c) and Article 407, which had not been included in Ordinance No. 72 and lined out the old and added the new in red print, which is the way it should have been done to let the Board members know that there were changes other than the dollar amount increase. Note that CalPERS Long Term Care is mandatory for all Board members. You had to have been a member of CalPERS to receive the Long Term Care. No sitting Board member today, besides Clifford Young is a member of CalPERS and could not get it even if they wanted to. If salaried employees sign up for Long Term Care, they have to pay for it out of pocket. Mr. Crowley knew that Clifford had the votes to get rid of him and went along with whatever Clifford Young wanted him too. Mrs. Araiza provided copies to General Counsel.

CONSENT CALENDAR

A motion was made by Director Young to approve the Consent Calendar, seconded by Director Olinger. Director Bourland pointed out a correction to the Minutes of May 25, 2017 regarding dismissal of the District’s previous legal firm and that the vote should read 3-0-2. The amended motion was approved unanimously by the following vote:

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

BUSINESS MATTERS

Consideration of:

- 1. Adopt Resolution No. 2017-12, Commending David Irscher for Twenty-Six Years of Dedicated Service** - Following discussion, a motion was made by Vice President Gonzalez, to Adopt Resolution No. 2017-12, Commending David Irscher for Twenty-Six Years of Dedicated Service, seconded by Director Young. The motion carried unanimously by the following vote:

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

This item was taken out of order.

- 2. Consider the Purchase of a New Network Back-Up System** – Following discussion, a motion was made by Vice President Gonzalez to Approve the Purchase of a New Network Back-Up System, 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**

- 3. Approval of the Human Resources Committee and Employee Salary Committee Recommendations for Compensation of Employees for the 2017-2018 Fiscal Year** – Following discussion, a motion was made by Vice President Gonzalez to Approve the Human Resources Committee and Employee Salary Committee Recommendations for Compensation of Employees for the 2017-2018 Fiscal Year and to defer recommendation number four (4), to the monthly Human Resources Committee meeting scheduled for June 7, 2017. A discussion ensued. Following discussion, President Young made the following substitute motion: 1) A Cost of Living (COLA) increase to 2.0 in line with Los Angeles (“LA”) County and San Bernardino County; set aside another 1% of the compensation to cover item Nos. 2 and item No. 3, the monetary part of this package and ask that the Employee Committee and HR Committee bring back recommendations on item Nos. 2 or 3; or any additional monetary request they may have coming to the Board; and item No. 4 be approved as is and everything be effective July 1, 2017, seconded by Director Young. Discussion continued. Following discussion, the substitute motion failed by the following vote:

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

Vice President Gonzalez restated the original motion to Approve the Human Resources Committee and Employee Salary Committee Recommendations for Compensation of Employees for the 2017-2018 Fiscal Year, and defer recommendation number four (4), to the monthly Human Resources Committee scheduled for June 7, 2017, seconded by Director Olinger. Discussion continued. Director Young lead a discussion regarding his concerns regarding the Human Resources and Salary Committee recommendation No. 2 regarding deferred compensation. Following discussion, President Young allowed District employees to address the Board. Maria Guerrero, Customer Service Representative II thanked the Board for allowing Staff to voice their concerns. Ms. Guerrero commented she is representing Customer Service and a few other employees and that this year, the Employee Salary Committee survey

presented to the employees a little differently and unfortunately created a bit of confusion. Ms. Guerrero assured the Board that Staff is very grateful for all benefits provided by the District and appreciate any considerations going forward. There are a couple of items presented to the Board in a package that District employees are divided on. The first concern is the office closure and that the District is not prepared to close for a total of eleven (11) consecutive days and the impact it might have on all departments. Staff appreciates the Employee Salary Committee, HR, upper management and anyone else involved in this process to enhance employee benefits. Staff respectfully asks the Board to consider implementing this item next year after an analysis has been performed and how it will affect each department. There are also employees concerned if the Board decides to approve the incentive pays, it not being applied fairly District-wide. Staff would like for the Board to consider allowing certifications and degrees, both in the office and in the field to be included as an incentive for those employees who go above and beyond similar to what we have now. Ms. Guerrero thanked the Board for their time and expressed again Staff's appreciation for consideration, as well as the Employee Salary Committee for their work to try to represent the District as a whole. President Young asked the head of the Employee Salary Committee, Mr. Alexis Garcia to address the Board regarding the Committee's recommendation. Mr. Garcia commented that in the past, hard copies of the survey were generated. This year, the Committee sent it out electronically and the top four (4) choices that staff voted on was the general consensus that the committee received and went off of. After discussion the original motion carried by the following vote:

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

President Young directed Staff to add this item to the budget discussion on June 5th and that a clear recommendation from the General Manager be provided.

- 4. **Adopt Resolution No. 2017-13, Amending the District's Investment Policy** – Following discussion, Director Young made a motion to Approve Staff's recommendation to table the adoption of Resolution No. 2017-13 to the Finance Committee for additional review and revisions, seconded by Director Bourland. Mr. Araiza commented that he looked at this and it looks perfectly fine, as far as he can see and inquired whether this is a new investment policy, or had things been changed. Mr. Araiza suggested the use of a strike and redline on all policies to show people what the District is doing, which would make it a lot simpler to understand. Following discussion, 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**

5. **Approval of the Sale of Water in Chino Groundwater Basin to Cucamonga Valley Water District** – Following discussion, a motion was made by Director Young to Approve the Sale of Water in the Chino Groundwater Basin to Cucamonga Valley Water District, 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**

6. **Approval of Payment to Larson O'Brien, LLP for Professional Services rendered through April 30, 2017 in the San Bernardino Valley Municipal Water District Matter; Statement No. 3510; \$1,387.79** –Following discussion, a motion was made Vice President Gonzalez to Approve Payment to Larson O'Brien, LLP for Professional Services rendered through April 30, 2017 in the San Bernardino Valley Municipal Water District Matter; Statement No. 3510; \$1,387.79, 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**

7. **Approval of Payment to Albright, Yee & Schmit, APC for Professional Services rendered through January 31, 2017; Statement No. 24118; \$15,885.00; and March 31, 2017; Statement No. 24209; \$3,917.50** - Following discussion, a motion was made by Director Young to Approve Payment to Albright, Yee & Schmit, APC for Professional Services rendered through January 31, 2017; Statement No. 24118; \$15,885.00; and March 31, 2017; Statement No. 24209; \$3,917.50, seconded by President Young. Vice President noted for the record that the invoice had not been budgeted in the 2016-2017 Fiscal Year Budget. A discussion ensued regarding the contract term and final invoicing period. After discussion, the motion carried by the following vote:

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

8. **Approval of Payment to Prata & Daley, LLP for Professional Services rendered through March 28, 2017; Statement No. 13801; \$9,558.87** - Following discussion, a motion was made by Director Young to Approve Payment to Prata & Daley, LLP for Professional Services rendered through March 28, 2017, seconded by President Young. Vice President Gonzalez inquired of legal counsel whether there is a conflict of interest as to the relationship between the item and the individual voting on the matter. General Counsel Michael Davis led a detailed discussion regarding the contract associated with the invoice and the District's obligation to pay it. Following discussion, the Board conceded to postpone action on agenda item No. 8 until

after Closed Session is concluded and to go over the underlying document and bring it back after Closed Session.

9. **Approval of Agreement for Assistant General Manager** - Following discussion, a motion was made to Authorize the General Manager and General Counsel to draft and execute a District contract for Mr. Greg Gage's signature for employment as the Assistant General Manager with an annual salary of \$178,000, with a six (6) month probationary period, including provisions for a three – four percent salary increase upon successfully acquiring a Project Management Professional (“PMP”) certificate by the Project Management Institute (“PMI”) and shall include all standard District benefits, including forty hours of paid administrative leave per year and one hundred twenty hours per year of vacation accrual. Vice President Gonzalez made a motion to Approve Staff's recommendation, 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 everyone in attendance at the meeting and West Valley employees for participating in the discussion.
- b. May 19th – Attended the City of Rialto Memorial Day Tribute, which was a beautiful service for the men and women who have served. Brought extra programs and thanked members of the Board who served. Happy to have bumped in past Director Alan Dyer, who was also in the Army Air Forces. He greeted her with a big hug and she was happy to see him. Mr. Dyer is still reading District meeting minutes and happy with the progress the Board is taking now. In the back of the program is the Folding of the American Flag. The first fold reads “is the symbol of life, and the ninth fold is a tribute to womanhood, “for it has been through their faith, their love, loyalty and devotion and character that the women and men have made in this country and served.” The twelfth fold reads “in the eyes of a Christian citizen, represents an emblem of eternity and glorifies, in their eyes, God the Father, the Son and Holy Spirit. A copy will be provided to the Board and Staff.

Director Olinger reported on the following:

- a. Commented that General Counsel was also a service person. General Counsel Davis clarified that he was in the Air Force for seventeen years; a Fire Pilot and flew 141s out of Norton, and did a tour of Southeast Asia.

- b. Thanked Alexis Garcia and Nadia Picon-Aguirre, representatives for the Employee Salary Committee. They did an excellent job on that, including the Human Resources Manager, Karen Logue. We will reconsider some of the items, which is a good thing.

Director Young reported on the following:

- a. Thanked everyone for coming out, including Mr. Tom Shalhoub, Director of Yucaipa Valley Water District.
- b. Thanked all staff members in attendance regarding the HR matter and that while he could not support it, due to the deferred compensation, he is very happy Staff will receive the COLA increase and particularly the education. Very enthusiastic about trying to increase our incentives as far as the education, which is something he has really wanted since he has been here. Very pleased that everyone will have the opportunity.
- c. Thanked everyone for coming out again and hope all had a great Memorial Day holiday.

Director Bourland had no report.

President Young had no report.

2. Legal Counsel/Consultants

Mr. Michael Davis reported on the following:

- a. Communication with Tafoya and Garcia, LLP – Provided the Board and District with its copy of a letter to Mr. Tafoya requesting the summary status of all matters they were handling for the District, a list of files, and copies of files which by law belong to the District. This is simply a transitional matter to make certain all information is received that is needed to assume the responsibility of the District on all matters going forward. That letter was transmitted both by email and first class mail on June 1st. Communication has already been received back that they are in the process of coordinating.
- b. Standard Form Agreement to Govern Management Level Personnel - That form would be used ultimately in the process of the AGM's agreement. We are gathering information and is part of the reason the agreement is not before the Board for consideration tonight. Working on gathering information to prepare the document and bring back to the Board for review and approval of becoming a standard form.
- c. Board of Directors Policies and Procedures Handbook – There are a number of existing policies that have been adopted and others in draft form that we are reviewing and compiling in conjunction with the HR Manager and GM. We are working to get those done as quickly as possible and will take a while to get done.

- d. Conflict of Interest Code Amendment – Are in receipt of the existing code and will start the process of reviewing to bring back recommendations to the Board. Also requested today to review and opine on the Fair Political Practices Commission (“FPPC”) impacts of the ACWA Talks Summer 2017 Edition. Have started that process and will bring back to the Board.
- e. Human Resources Policies and Procedures Manual – Will take some time to gather things together, working with the HR Manager and GM. When complete, recommendations will be brought back to the Board.
- f. California Public Records Act Request – Coordinating with the Board Secretary Smith on preparing the response and the production of the requested documentation. We first tried to refine the scope of the request so that we did not simply overcharge because we were providing documents outside the scope of what the requestor really wanted. We went through that process over the past couple of days. It is refined and by Monday we will have a response that probably won’t include the actual figure based on the District’s standard rate because we are still trying to figure out the total number of pages, which is the way the cost is calculated. We will get it together and provide to the requestor as soon as possible and coordinate with Board Secretary Smith on the actual production of the documents pursuant to that request.
- g. Board Committee Meetings – List of Board’s general, special and committee meetings and is unaware of the meetings the Board would like general counsel to attend. Will attend all meetings requested by the Board.

3. General Manager

Mr. Litchfield reported on the following:

- a. UTC Agreement – The District received funds for past operating costs for the FBR in 2014, and estimates for the second half of 2016 costs through June, 2017 for a total of \$1.8 million.
- b. Vacation – Wednesday, June 28th – Tuesday, July 10th, 2017.
- c. President Young inquired whether the District monitors illegal water usage from the fire hydrants. Mr. Litchfield confirmed there is no way to monitor such events at this time.

4. Interim Chief Financial Officer

Mr. Robert Christman reported on the following:

- a. Confirmed the Investment Policy is a new document. Contacted friends in the County Government and Treasurer’s Office, which have provided the District with significant impact that will change the policy pretty substantially since the last Finance Committee meeting. It has been revised and the County will be looking at it at the Treasurer’s Office to give further input.
- b. Treasurer’s Report – Cash balances have significantly increased. Since we don’t have an approved Investment Policy that we are operational with yet, the funds have been divided up

between the Local Agency Investment Fund (“LAIF”) and the two (2) funds we have with CALTrust Pooled Investment Fund. Director Bourland requested Mr. Christman consider the current version of the Treasurer’s report be made the baseline report, as 1.0 in redline format going forward for any changes. President Young also requested that both the existing and draft versions of the Investment Policy be provided at the next Finance Committee meeting. President Young also inquired whether the District’s banking services had been changed. A discussion ensued.

5. Operations Manager

- a. Lytle Creek flow is at 6.6 mgd.
- b. State Water Project (SWP) water flow is at 3.5 mgd.
- c. The Oliver P. Roemer Water Treatment Plant is producing 10 mgd.
- d. The FBR Treatment Plant is treating 2.9 mgd.

Director Bourland requested that Ms. Chan indicate whether the numbers reported on are an increase or decrease, which would help him understand the report better.

6. Treasurer

This item was covered earlier in the meeting.

7. Engineering Services Manager

Ms. Jadeski had no report.

8. External Affairs

Ms. Wendy Strack had no report.

9. Human Resources/Risk Manager

Ms. Karen Logue reported on the following:

- a. Thanked Alexis Garcia for attending the meeting on behalf of the Employee Salary Committee. Thanked the Board for their consideration regarding the request from the employees. Director Young also thanked Mr. Garcia for his work, as well as Ms. Logue.

10. Business Systems Manager

Mr. Jon Stephenson had no report.

11. Board Secretary

Ms. Shanae Smith announced a celebration scheduled on Tuesday, June 27, 2017 from 11:30 a.m. to 1:30 p.m. at District Headquarters to honor Director Donald Olinger on his 90th birthday and inquired of the Board's availability to attend.

UPCOMING MEETINGS

President Young announced the June 5, 2017 Budget Workshop scheduled for 6:00 p.m. at District Headquarters.

FUTURE AGENDA ITEMS

Vice President Gonzalez requested coordination of a group photo of the full Board.

INFORMATION

None.

CLOSED SESSION

At 7:48 p.m. the Board convened to Closed Session to discuss the following:

CONFERENCE WITH LEGAL COUNSEL – PERSONNEL MATTER – Pursuant to Government Code Section 54957 – Title: General Counsel

At 9:25 p.m. the Board reconvened to Open Session and General Counsel Davis reported the following:

1. The Board approved Minutes of the Closed Session on May 25, 2017 and instructed General Counsel to maintain originals in his office.
2. The Board received a status report on all Closed Session items previously directed to General Counsel. Those items as indicated in the beginning of the meeting, included three (3) Personnel Matters, Government Code Section 54957 – General Manager Evaluation, Assistant General Manager Agreement, Chief Financial Officer Agreement; Government Code Section 54956.9(a): one (1) item Pending Litigation regarding the San Bernardino Valley Municipal Water District et al. vs. Fontana Union Water Company; and three (3) items of Potential Litigation, EEOC Complaint Smith, Complaint Hernandez, Complaint Cook – Government Code Section 54956.9(b)(1).
3. The Board discussed circumstances for agenda item No. 8 and General Counsel is prepared to make a motion to present a motion to the Board on that item. Approve the Payment to Prata & Daley, LLP for Professional Services rendered from November 2016 through February 2017; Invoice 13801 in the amount of \$9,558.87 and direct General Counsel to investigate the circumstances under which that engagement took place and whether the District's insurance will cover and or subrogate for any of those costs. Director Young made approved the motion as stated, seconded by Director Bourland. The motion carried by the following vote:

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

After the vote, Vice President Gonzalez stated that for the record, she is protesting Item No. 8

**THERE BEING NO FURTHER BUSINESS, PRESIDENT YOUNG MOVED TO
ADJOURN THE MEETING AT 9:25 P.M.**

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

ATTEST:

Shanae Smith, Board Secretary