WEST VALLEY WATER DISTRICT
855 W. BASE LINE ROAD RIALTO, CA

BOARD MEETING
AGENDA

THURSDAY, SEPTEMBER 7, 2017 - 6:00 PM

"In order to comply with legal requirements for posting of agendas, only those items filed with the District Secretary's office by noon, on Wednesday prior to the following Thursday meeting, not requiring departmental investigation, will be considered by the Board of Directors."

OPENING CEREMONIES

Pledge of Allegiance
Opening Prayer
Call to Order
Roll Call of Board Members

ADOPT AGENDA

PUBLIC PARTICIPATION

Any person wishing to speak to the 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 of Directors 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.
CONSENT CALENDAR

All matters listed under the Consent Calendar are considered routine and will be enacted by one vote. There will be no separate discussion of these items unless a member of the Board of Directors, Staff Member, or any member of the public request a specific item(s) be removed for separate action.

Consideration of:

1. Minutes of August 17, 2017 regular Board meeting.

2. Minutes of August 28, 2017 special meeting.

PUBLIC HEARING

BUSINESS MATTERS

Consideration of:

1. Construction Progress Report - Fixed Bed Biological Perchlorate Destruction Project by Carollo Engineers (Receive and file).

2. Authorize the General Manager to Execute an Agreement with PayNearMe to Authorize Participating Retailers to Accept Payments on Behalf of the District.

3. Approve the Purchase of an Administrative Pool Vehicle and allocate funds from the FY 2017-18 contingency in the amount of $23,000.

4. Approval of Long-Term Lawyer-Client Agreement With The Law Firm Offices of Gresham Savage Nolan & Tilden, PC.

5. Approval of Payment to Gresham Savage Nolan & Tilden, PC for Professional Services rendered through July 31, 2017; Statement No. W1582 - All Matters; Total Amount of $48,082.47.

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

1. Board Members

2. Legal Counsel

3. General Manager

4. Assistant General Manager

5. Chief Financial Officer
6. **Operations Manager**

7. **Engineering Services Manager**

8. **External Affairs Manager**

9. **Human Resources/Risk Manager**
   - 1,037 Days Without a “Lost Time” Claim.

10. **Business Systems Manager**

11. **Board Secretary**

**UPCOMING MEETINGS**

1. September 11, 2017 - West Valley Water District Board of Directors Human Resources Committee meeting, District Headquarters, 6:00 p.m.

2. September 12, 2017 - West Valley Water District Board of Directors Executive Committee meeting, District Headquarters, 5:30 p.m.

3. September 18, 2017 - Association of San Bernardino County Special Districts Monthly Membership meeting hosted by Lake Arrowhead Community Services District at The Grill at Antlers Inn, 26125 State Highway 189, Twin Peaks, CA 92391.

4. September 20, 2017 - West Valley Water District Board of Directors Finance Committee meeting, District Headquarters, 5:45 p.m.

5. September 20, 2017 - West Valley Water District Board of Directors External Affairs Committee meeting, District Headquarters, 6:15 p.m.

6. September 21, 2017 - West Valley Water District Board of Directors regular meeting, District Headquarters, 6:00 p.m.


8. October 2, 2017 - West Valley Water District Board of Directors Board Workshop, District Headquarters, 6:00 p.m.

9. October 5, 2017 - West Valley Water District Board of Directors regular meeting, District Headquarters, 6:00 p.m.

10. October 9, 2017 - West Valley Water District Board of Directors Human Resources Committee meeting, District Headquarters, 6:00 p.m.

11. October 11, 2017 - West Valley Water District Board of Directors Engineering/Planning Committee meeting, District Headquarters, 5:45 p.m.
12. October 18, 2017 - West Valley Water District Board of Directors Finance Committee meeting, District Headquarters, 5:45 p.m.

13. October 19, 2017 - West Valley Water District Board of Directors regular meeting, District Headquarters, 6:00 p.m.

14. October 23, 2017 - Association of San Bernardino County Special District Monthly Membership meeting, Location TBD, 6:00 p.m.

15. October 25, 2017, West Valley Water District Board of Directors External Affairs Committee meeting, District Headquarters, 6:00 p.m.

FUTURE AGENDA ITEMS

INFORMATION

CLOSED SESSION

1. APPROVAL OF CLOSED SESSION MINUTES (UNRESTRICTED): Regular meeting August 17, 2017.

2. APPROVAL OF CLOSED SESSION (RESTRICTED): Regular meeting August 17, 2017.

3. APPROVAL OF CLOSED SESSION (RESTRICTED) as corrected: Regular meeting of July 6, 2017.

4. CONFERENCE WITH LEGAL COUNSEL - PERSONNEL MATTER - Pursuant to Government Code Section 54957: Public Employee Contract: General Manager.

5. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION - Pursuant to Government Code Section 54656.9(a): FPPC Complaint, Clifford O. Young, Sr. v. West Valley Water District and Linda Gonzalez, Complaint No. COM-06092017-01044.

6. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION - Pursuant to Government Code Section 54956.9(a): Suzanne Cook v. West Valley Water District & Clifford O. Young; San Bernardino County Superior Court Case No. CIVDS1713213.


8. 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.

10. CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION - Pursuant to Government Code Section 54956.9(b): Jesus Campos Ugalde, Claim Number 178-0503.

11. CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION - Pursuant to Government Code Section 54956.9(b): Chantelle Washington, Claim Number 17-0433 (WVWD) and 17-053 (CCS).

12. CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION - Pursuant to Government Code Section 54956.9(b): Brandon Erwin, Claim Number 17-0433 (WVWD) and 17-053 (CCS).

13. CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION - Pursuant to Government Code Section 54956.9(b): Roland Vasquez, Claim Number 18-0072 (WVWD).

ADJOURN

DECLARATION OF POSTING:

I declare under penalty of perjury, that I am employed by the West Valley Water District and posted the foregoing Agenda at the District Offices on September 1, 2017.

[Signature]
Shanae Smith, Board Secretary

Please Note:

Material related to an item on this Agenda submitted to the Board after distribution of the agenda packet are available for public inspection in the District's office located at 855 W. Baseline, Rialto, during normal business hours. Also, such documents are available on the District's website at www.wvwd.org subject to staff's ability to post the documents before the meeting.

Pursuant to Government Code Section 54954.2(a), any request for a disability-related modification or accommodation, including auxiliary aids or services, in order to attend or participate in the above-agendized public meeting should be directed to Shanae Smith, at least 72 hours in advance of the meeting to ensure availability of the requested service or accommodation. Mrs. Smith may be contacted by telephone at (909) 875-1804 ext. 704, or in writing at the West Valley Water District, P.O. Box 920, Rialto, CA 92377-0920.
MINUTES
REGULAR BOARD MEETING
of the
WEST VALLEY WATER DISTRICT
August 17, 2017

PRESENT 缺席  DIRECTORS
✓  Donald Olinger, President
✓  Linda Gonzalez, Vice President
✓  Dr. Clifford Young, Sr., Director
✓  Gregory Young, Director
✓  Robert Bourland, Director

STAFF
✓  Matthew H. Litchfield, P.E., General Manager
✓  Greg Gage, Assistant General Manager
✓  Marie Ricci, 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

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

VISITORS
June D. Hayes, Director, SBV Municipal Water District
Gil Navarro, Director, SBV Municipal Water District
Anthony & Diana Araiza, Customers
Judy McGowan, Customer
Scott Olson

WVWD
Minutes: 8/17/17
The Regular meeting of the Board of Directors was called to order by Donald Olinger at 6:07 p.m. at the District Headquarters, 855 W. Baseline Road, Rialto, CA.

OPENING CEREMONIES

Pledge of Allegiance – Director Gregory Young
Opening Prayer – Vice President Gonzalez
Roll Call of Board Members – Quorum

President Olinger announced that Director Clifford Young, Sr. had notified the Board that he was unable to attend the meeting due to a personal matter.

ADOPT AGENDA

Director Young made a motion to Adopt the Agenda and to table Business Item No. 1, Adopting Resolution No. 2017-26, Approving the Code of Ethics Policy (“COEP”) to a future workshop by the Board, seconded by Director Bourland with discussion. Director Young clarified that a COEP is needed to be updated and that we do have one in effect, however fairly outdated and that he is in full support of the intent. Director Young expressed that the document governs the actions of the Board, and the Board should have the opportunity to comment on it in a workshop, just the way comments and discussions are had with regard to the Board’s Ordinance No. 82 or budget items. It would be prudent to schedule a special Board meeting workshop where the Board openly, and in an honest way discussed each part of the document and compare it to what we currently have, as a copy of what is currently in effect had not been provided in the packet. Director Bourland inquired whether there is a requirement for refreshment of a COEP and whether the District is on target or time constrained. General Counsel Michael D. Davis clarified that the District is required to have a COEP and that a Conflict of Interest Policy (“COIP”) is required to be updated every two (2) years and submitted to the FPPC for approval. From everything we have been able to determine, the last update to the District’s COIP was in 1992, making the District approximately twenty six years behind. Mr. Davis encouraged the Board not to put it out any farther than absolutely necessary, as the District is not in compliance at this time. Vice President Gonzalez commented that since 2014, she recalls Ordinance No. 72 included the ethics. However, when the ordinance was amended to Ordinance No. 84, the entire section was removed by the previous legal and President at the time and she did not want the policy to be prolonged any further and to schedule a workshop. Director Bourland stated that he is in support of a workshop and requested that it be done urgently, and to call a special meeting within the next week to work through it and get it done and expressed that he is nervous about being twenty-six years out of date and the risk it puts the District in. Following discussion, the Board scheduled a special Board workshop on August 28, 2017 at 6:00 p.m. and Director Young requested that the existing COEP and/or confirmation whether or not there is one. Director Young restated his motion to Approve the amended Agenda postponing Business Item No. 1 to a Special Meeting of the Board on August 28, 2017 at 6:00 p.m., seconded by Director Bourland. The motion carried by the following vote:
Ayes: Directors: Gonzalez, Young, Bourland, Olinger
Noes: Directors: None
Absent: Directors: Young, Sr.
Abstain: Directors: None

PUBLIC PARTICIPATION

President Olinger 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.

Resident, Ms. Judy McGowan commented that she appreciated all the things that have been added to the water billing statement over the years, including the bar graph regarding how much water was used last year. Also, she liked the addition of the District’s Level-Pay Plan, which she has taken advantage of and suggested that if the District would be so kind to add how much customers are “in the hole” when paying each month and/or to identify whether there is an available credit. Ms. McGowan also commented that both The Southern California Edison (“SCE”) and The Gas Company do that. She stated had been on the Level-Pay Plan for two (2) years when she got a shock in February to pay an approximate $200.00 water bill. Indicating whether or not a customer is in the hole or has a credit would be helpful. President Olinger directed Staff to assist Ms. McGowan with her request and commented that she has been a long-time customer of the District. The Board thanked Ms. McGowan for the suggestion.

Gil Navarro, Director of the San Bernardino Valley Municipal Water District (“Valley District”) and Deputy Commissioner of the Santa Ana Watershed Project Authority (“SAWPA”) announced that Valley District has created a number of committee workshops that are open to the public and thanked the District for sending Ms. Wendy Strack and Ms. Daisy Farias to the Water Use Efficiency Committee that he Chairs. In addition, other districts were also in attendance. Director Navarro stated that he has learned a lot this year and thanked the District for participating. Director Navarro also commented that Valley District’s Fiscal Year 2017-2018 Budget will be presented next month indicating the amount of funds that will be given back to the community in rebates, which the District has taken advantage of to help its consumers.
CONSENT CALENDAR

A motion was made by Director Young to Approve the Consent Calendar with the amended August 3, 2017 Minutes, seconded by Director Bourland. The motion carried by the following vote:

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

PUBLIC HEARING

No public hearing.

BUSINESS MATTERS

Consideration of:

This item was taken out of order.

1. Adopt Resolution No. 2017-26, Approving the Code of Ethics Policy – The item was tabled to the August 28, 2017 special Board workshop.

2. Adopt Resolution No. 388-68, Approving the Reclassification of the Vacant Engineer Position to Engineering Development Coordinator – Following discussion, a motion was made by Vice President Gonzalez to Adopt Resolution No. 388-68, Approving the Reclassification of the Vacant Engineer Position to Engineering Development Coordinator, seconded by Director Bourland. The motion carried by the following vote:

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

3. 2018-2019 Election of Board of Directors for the Association of California Water Agencies Region 9 – Following discussion, a motion was made by Vice President Gonzalez to Approve the Association of California Water Agencies Region 9 Nominating Committee's Recommended Slate, including Mr. Michael Wilson for the 2018-2019 Election for the Board of Directors for the Association of Water Agencies Region 9, seconded by Director Bourland. The motion carried by the following vote:

Ayes: Directors: Gonzalez, Bourland, Olinger
Noes: Directors: None
Absent: Directors: Young, Sr.
Abstain: Directors: Young
4. **Approval of an Agreement for Professional Services for Security System and Fire Panel Monitoring and Services** - Following discussion, a motion was made Director Young to Approve an Agreement for Professional Services to CRB for Security System and Fire Panel Monitoring and Services, seconded by Director Bourland. The motion carried by the following vote:

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

Director Young reported on the following:

- a. Thanked everyone for attending the meeting and wished everyone a good evening.

Director Bourland reported on the following:

- a. Aug. 17th - Attended a workshop regarding cyber security and Homeland Security was there, along with the Chief Executive Officer (“CEO”) of one of the biggest cyber security firms in the area and came back with a lot of good ideas that should probably be followed-up on, which he will speak to Mr. Jon Stephenson regarding what he’s learned. The District is eligible to receive free things from Homeland Security that he was not aware of. It’s definitely worth the District’s time to explore those options. The workshop was held at the police station in Ontario, with a turnout from several different utilities and municipalities, all discussing their cyber concerns, which are getting worse every day.

Vice President Gonzalez reported on the following:

- a. Attended the Bloomington Municipal Advisory Council (“MAC”) along with Director Young where they discussed the large cube buildings. There is not one day they are not knocking on doors, using the word “eminent domain.” Kudos to ex-President Betty Gosney who made the point of telling people that it is not eminent domain and not to feel threatened, and that they should name their price and then sign the contract and to not to sign until they were happy. Congratulated the MAC for being aggressive with Supervisor Josie Gonzalez and going after all illegal trucking.
b. Aug. 10th – Attended her first Executive Committee meeting since the two (2) years she’s been the District’s Vice President and very impressed how the General Manager organized it. The Assistant General Manager (“AGM”) and Chief Financial Officer (“CFO”) were in attendance and a lot of input went back and forth. It was nice that you could sit there and express how you feel, as we are here to represent the people and if you’re gagged or pressured or can’t talk, you are not efficient. Thanked the General Manager and President Olinger for their leadership.

c. Aug 11th – Attended the San Bernardino County Annual Water Conference in Ontario, hosted by San Bernardino County. There was several people in attendance, including several Board members, Mr. Navarro and lots of information was given.

d. Aug. 12th – Attended the second joint Spanish class in conjunction with the City of Rialto at St. Katherine’s Church. Water Conservation Specialist Daisy Farias was also in attendance. Stayed for the entire class, as it was very interesting. Plants were raffled, it was very well organized and the City of Rialto provided the refreshments. Thanked External Affairs Manager Ms. Wendy Strack and Mr. Litchfield.

e. Aug. 15th – Attended the Valley District Board meeting which was interesting. Brought back copies of the packet including, their Board Policies. Thanked the Valley District Directors in the audience and commented that women are strong. Thanked Direct June Hayes for standing up, especially in water.

f. Thanked everyone in the audience and commented we are here to represent the people.

President Olinger reported on the following:

a. Attended the Executive Committee meeting and concurred with Vice President Gonzalez regarding District Committees and commented that the Human Resources Committee is always prepared and that he loves Ms. Karen Logue’s enthusiasm. She is always looking out for the employees, as well as the District.

b. Attended the wedding ceremony of Director Bourland’s beautiful daughter Erin and husband Benjamin Luna. It was the largest wedding reception he ever attended with over four hundred and fifty guest in the Country Club area.

2. Legal Counsel/Consultants

Mr. Michael Davis reported on the following:

a. Referenced the written report on the dais, as well as an additional California Public Records Act request just received.
3. General Manager

Mr. Litchfield reported on the following:

a. Out of the office on Monday, August 21st and leaving at noon on Thursday, August 24th, returning Monday, August 28th.

4. Assistant General Manager

Mr. Greg Gage had no report.

5. Chief Financial Officer

Ms. Marie Ricci had no report.

6. Operations Manager

Ms. Joanne Chan reported on the following:

a. The Oliver P. Roemer Treatment Plant ("ORWTP") is producing 9.5 mgd., up 32% due to a repaired motor drive.

b. Lytle Creek Flow is 3.1 mgd, down 26%.

c. State Water Project ("SWP") water flow is at 5 mgd., up 67%.

d. The FBR Treatment Plant is treating 2.9 mgd., its maximum capacity. President Olinger inquired as to whether or not the FBR Treatment Plant is operating properly. Ms. Chan confirmed that normally the FBR is operating properly, however, a valve may fail on occasion. Staff has been able to fix the problem responsively.

7. Engineering Services Manager

Ms. Linda Jadeski had no report.

8. External Affairs Manager

Ms. Wendy Strack provided a written report on the dais.

9. Human Resources/Risk Manager

Ms. Karen Logue reported on the following:

a. Thanked Director Bourland for attending the Employee Recognition/Safety Luncheon on August 15th and for making a very honest and heartfelt speech that let everyone know that he really does care for the employees and that he has “walked the walk” and “talked the talk.”
10. **Business Systems Manager**

   Mr. Jon Stephenson reported on the following:

   a. Accela Legislative Management System – The implementation of the system has taken a bit longer than anticipated. Staff has beta tested the system and is now ready to provide training to members of the Board on the tools available when accessing the Board packets. The training is approximately twenty minutes on the IPad. Director Bourland inquired if the application is available for Android. Mr. Stephenson confirmed the application is only compatible with the IPad.

11. **Board Secretary**

   Ms. Smith announced the following:

   a. The California Special Districts Association (“CSDA”) is requesting members of the Board and/or Executive Management to participate in their committees. Information will be provided to Board members interested in participating.

   b. ACWA is electing a President and Vice President for their Board of Directors. Additional information will be provided.

   c. Reminder the Association of San Bernardino County Special Districts is dark in August.

President Olinger thanked Ms. Smith for keeping the Board in compliance with various reporting requirements.

**UPCOMING MEETINGS**

None.

**FUTURE AGENDA ITEMS**

Vice President Gonzalez requested that Mr. Davis bring back the Rosenberg’s Rules of Order adopted in 2015 for discussion. Mr. Davis commented that the determination of what rules are used by the District is in Ordinance No. 84. A draft of that has been completed and submitted to the General Manager for review prior to going before Committee. Director Bourland suggested that a workshop be conducted for review by the full Board. A discussion ensued regarding the use of Robert’s Rules of Order v. Robert’s Rules of Order, utilized by most agencies.

**INFORMATION**

None.
CLOSED SESSION

At 7:01 p.m. the Board convened to Closed Session to discuss several items. At 9:15 p.m., the Board reconvened to Open Session. Mr. Davis reported on the following:

1. APPROVAL OF CLOSED SESSION MINUTES (UNRESTRICTED): Regular meeting August 3, 2017 – Approved by a vote of 4-0-1, in all instances, Dr. Clifford Young, Sr. was absent.


   Approved.


   The Board approved a new agreement for General Manager Litchfield by a vote of 3-1, Director Greg Young voting no.

4. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – Pursuant to Government Code Section 54956.9(a): FPPC Complaint, Clifford O. Young, Sr. v. West Valley Water District and Linda Gonzalez, Complaint No. COM-06092017-01044.

   No reportable action.

5. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION - Pursuant to Government Code Section 54956.9(a): Suzanne Cook v. West Valley Water District & Clifford O. Young; San Bernardino County Superior Court Case No. CIVDS1713213.

   No reportable action.


   The Board approved a Joint-Use Agreement with Southern California Edison by a vote of 4-0-1.

7. 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.

   No reportable action.
8. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION - Pursuant to Government Code Section 54956.9(a): EEOC Complaint, Kenny Hernandez, Case Number 480-2017-00835.

   No reportable action.

9. CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION - Pursuant to Government Code Section 54956.9(b): Jesus Campos Ugalde, Claim Number 178-0503.

   No reportable action.

10. CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION - Pursuant to Government Code Section 54956.9(b): Chantelle Washington, Claim Number 17-0433 (WVWD) and 17-053 (CCS).

    No reportable action.

11. CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION - Pursuant to Government Code Section 54956.9(b): Brandon Erwin, Claim Number 17-0433 (WVWD) and 17-053 (CCS).

    No reportable action.

12. CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION - Pursuant to Government Code Section 54956.9(b): Roland Vasquez, Claim Number 18-0072 (WVWD).

    The Board voted 4-0-1 to reject the claim by Roland Vasquez.

13. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION - Pursuant to Government Code Section 54956.9(b): Lorraine Baltierra, Claim Number CIV-150812-CIV DS1511630-CASEEN-132502.

    The Board voted by 4-0-1 to accept the contract of settlement and authorize Staff to implement the settlement.

**THERE BEING NO FURTHER BUSINESS, DIRECTOR YOUNG MOVED TO ADJOURN THE MEETING AT 9:20 P.M.**

____________________________
Donald Olinger
President of the Board of Directors
of West Valley Water District

WVWD
Minutes: 8/17/17
ATTEST:

________________________

Shanae Smith, Board Secretary
MINUTES
SPECIAL BOARD MEETING
of the
WEST VALLEY WATER DISTRICT
BOARD OF DIRECTORS
August 28, 2017

PRESENT  ABSENT  DIRECTORS
✓  Donald Olinger, President
✓  Linda Gonzalez, Vice President
✓  Dr. Clifford O. Young, Sr., Director
✓  Greg Young, Director
✓  Robert Bourland, Director

STAFF
✓  Matthew H. Litchfield, General Manager
✓  Greg Gage, Assistant General Manager
✓  Marie Ricci, Chief Financial Officer
✓  Karen Logue, Human Resources/Risk Manager
✓  Wendy Strack, External Affairs Manager
✓  Joanne Chan, Operations Manager
✓  Jon Stephenson, Engineering Services Manager
✓  Shanae Smith, Board Secretary

LEGAL
✓  Michael D. Davis, Savage Gresham Nolan & Tilden, PC
✓  Derek R. Hoffman, Savage Gresham Nolan & Tilden, PC

VISITORS
Anthony and Diana Araiza, Customers
Scott Olson
The Special meeting of the Board of Directors was called to order by Donald Olinger, Sr., at 6:00 p.m. at the District Office, 855 W. Baseline Road, Rialto, CA.

President Olinger opened the meeting and clarified the meeting format as a Board workshop to review, discuss and possibly adopt the draft Code of Ethics Policy (“COEP”) presented in the agenda packet and inquired whether there is a difference between a Special meeting of the Board to that of a Board workshop. General Manager Matthew H. Litchfield clarified that the meeting is in fact a workshop with the intent to have a discussion among the members of the Board with regard to the contents of the draft COEP presented at the August 17, 2017 regular Board meeting, with the option to potentially adopt should the Board so choose. Director Young, Sr. led a lengthy discussion regarding the meeting format and indicated for the record that President Olinger had been very deceptive in his initial call to Board members regarding discussion of the COEP and questioned whether we are having a workshop or adopting the COEP, as the meeting structure indicated in the printed agenda is a different format.

OPENING CEREMONIES

Pledge of Allegiance – Director Gregory Young
Opening Prayer - Director Robert Bourland
Roll Call of Board Members-Quorum

ADOPT AGENDA

Motion was made by Director Bourland to adopt the Agenda as presented, seconded by Vice President Gonzalez. A discussion continued regarding the meeting format and the FPPC requirement to adopt a COEP biennially on even years. Following discussion, the motion carried by the following vote:

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

PUBLIC PARTICIPATION

President Olinger indicated that any person wishing to speak to the Board of Directors (“Board”) on matters listed or not listed on the agenda, within its jurisdiction, is asked to complete a Speaker's 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.

No members of the public spoke at the meeting.

WVWD
Special Minutes: 8/28/17
BUSINESS MATTERS

1. Adopt Resolution No. 2017-26 of the Board of Directors of the West Valley Water District, Approving the Code of Ethics Policy – Mr. Litchfield summarized the purpose of the Code of Ethics / Board Conduct Policy (“COEP”), which is a part of the Conflict of Interest Code, is to comply with the requirements of the Fair Political Reform Act of 1974, and that of the Fair Political Practices Commission (“FPPC”). Mr. Litchfield explained that the District’s current Conflict of Interest Code, as well as the COEP is outdated and needed updating and that the process to update the Conflict of Interest Code is time consuming, however, the COEP could move forward at this time. Staff presented the draft COEP at the regular Board meeting of August 17, 2017 and due to questions and concerns raised by the Board, the item was tabled to the Special meeting. Mr. Litchfield identified two alternatives in the Staff report specific to Section 15 of the COEP, with respect to enforcement of the COEP and formal filings for Board discussion. The options are the results of Staff working with Legal Counsel to conduct a side-by-side comparison of similar water district’s COEPs within Southern and Northern California. Director Young questioned why his email request to receive full copies of sample COEPs from neighboring agencies, including other government entities, as opposed to the excerpts received in the printed agenda packet had been ignored. Legal Counsel Michael D. Davis commented that he had taken notes at the August 17, 2017 regular Board meeting regarding Director Young’s request to bring back full copies of sample policies and that it is not his intent to withhold, nor was he aware of the email request. Following a lengthy discussion regarding COEP policies from other local government agencies, the Board reviewed and discussed each section of the proposed COEP, including Sections 1.0 – 9.3. Due to time constraints, the Board tabled the completion of the review of the draft COEP to a Board Workshop set for Monday, October 2, 2017 at 6:00 p.m., and directed Mr. Litchfield and Mr. Davis to provide full copies of sample COEPs from the ten (10) agencies identified in the agenda packet, as well as samples from other government agencies and to include government code citations within the sections discussed, as well as to prepare edits to the draft COEP as recommended by the Board.

ADJOURN

THERE BEING NO FURTHER BUSINESS, PRESIDENT OLINGER MOVED TO ADJOURN THE MEETING AT 8:05 P.M.

__________________________________
Donald Olinger
President of the Board of Directors
of West Valley Water District

ATTEST:

________________________
Shanae Smith, Board Secretary
DATE: September 7, 2017
TO: Board of Directors
FROM: Matthew H. Litchfield, P.E. General Manager
SUBJECT: CONSTRUCTION PROGRESS REPORT - FIXED BED BIOLOGICAL PERCHLORATE DESTRUCTION PROJECT BY CAROLLO ENGINEERS (RECEIVE AND FILE).

BACKGROUND:

On May 6, 2016, the West Valley Water District (District) executed a lump sum Design-Build Agreement between Carollo and the District for the construction of the full-scale Fixed Bed Biological Perchlorate Destruction Project. At the time of contract execution, staff indicated that Carollo Engineers would provide periodic updates to the Board of Directors (Board) on the construction progress, deadlines and milestones.

Mr. Jess Brown, P.E., Vice President with Carollo Engineers, will provide a brief presentation on the construction progress to date.

FISCAL IMPACT:

None at this time.

STAFF RECOMMENDATION:

Receive and file.

Respectfully Submitted,

Matthew H. Litchfield, P.E.
General Manager

MHL:ss
DATE: September 7, 2017
TO: Board of Directors
FROM: Matthew H. Litchfield, P.E. General Manager
SUBJECT: AUTHORIZE THE GENERAL MANAGER TO EXECUTE AN AGREEMENT WITH PAYNEARME TO AUTHORIZE PARTICIPATING RETAILERS TO ACCEPT PAYMENTS ON BEHALF OF THE DISTRICT.

BACKGROUND:

This item was presented to the Finance Committee on August 16, 2017 and directed staff to move forward. West Valley Water District (“District”) has made significant efforts to be accessible to ratepayers and make payment as convenient as possible. Currently, customers who pay at the District Headquarters can pay with cash, check/money order, or credit/debit. Authorized Payment Centers are satellite locations that are authorized to take payments for the District:

1. Pack N Mail (North): Accepts Cash and Check
2. J Check Cashing (South): Accepts Cash and Check

Auto-pay is an option where customers agree to provide their banking information so the District can automatically deduct the payment on the same day each month. Online payments are processed through the third party billing company, Infosend. Home Banking is where the customer initiates payment online through their bank. Lastly, mail/drop box are payments mailed to the District or put in the drop box.

Table 1. below contains the average payments received by customers by location/type over the last 3 months:

<table>
<thead>
<tr>
<th>Location/Type</th>
<th>Number of Payments (Avg/month)</th>
<th>Percentage (Avg/month)</th>
</tr>
</thead>
<tbody>
<tr>
<td>District Headquarters</td>
<td>3,800</td>
<td>18%</td>
</tr>
<tr>
<td>Authorized Payment Centers</td>
<td>560</td>
<td>3%</td>
</tr>
<tr>
<td>Auto-pay</td>
<td>1,835</td>
<td>9%</td>
</tr>
<tr>
<td>Online Payments</td>
<td>4,782</td>
<td>23%</td>
</tr>
<tr>
<td>Phone Payments</td>
<td>2,562</td>
<td>12%</td>
</tr>
<tr>
<td>Home Banking</td>
<td>3,204</td>
<td>15%</td>
</tr>
<tr>
<td>Mail/Drop Box</td>
<td>4,286</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>21,030</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
DISCUSSION:

On average, online payments, mail in payments and payments at the District are most used methods of payment in that order as illustrated in Chart 1. However, customers trying to make payments at the District have complained about long lines and wait times due to processing new applications as well as trying to resolve other issues. Unfortunately, approximately 560 or 3% of payments are received at payment centers. Payments that are received by these locations are faxed to the District on a spreadsheet, staff must hand enter the batch to post to the customer account, and the Accounting Department must reconcile 2 different bank accounts to make sure payments were received as promised. Moreover, District staff spend a significant amount of time every week correcting errors.

To enhance the customer service experience, staff is recommending the implementation of PayNearMe. It is an electronic cash transaction network that enables area residents to pay utility bills with cash at neighborhood 7-Eleven, CVS Pharmacy and Family Dollar stores. This cash payment option is made possible by a partnership between PayNearMe and InfoSend, the billing service provider for the District. This feature allows residents to pay their bills with cash 24 hours a day, seven days a week at locations close to where they live or work (see Exhibit A). To ensure accessibility and convenience, staff reviewed the location of where payments are taken by each payment center and identified a 7-Eleven nearby (see Exhibit B).

PayNearMe’s Embedded Barcode Remittance Technology (EBR) assigns a unique code to each utility bill that InfoSend mails to the District’s customers. Residents can bring these bills to 7-Eleven, CVS Pharmacy or Family Dollar where the bar code is scanned at the register and pay with cash in less than 60 seconds. The funds immediately post to customers’ accounts, and they receive detailed receipts for proof of payment. In the event a customer does not have their bill, they can contact the District and Customer Service Representatives could send the customer a bar code via text message or email. The phone with the bar code can be used to pay the bill as well. All transactions are automated thus reducing errors in the system. Adding 7-Eleven stores as payment locations could reduce the number of customers who visit the main office to make payments on-site. Should this be the result, staff could lower the wait times in the lobby and be able to provide more time to new customers signing up for service and resolve complex issues with billing. Moreover, during the recently approved renovation of the Customer Service Lobby area, customers will be able to utilize other locations to make payments to avoid the construction area.

There are no set-up costs nor annual maintenance fees. Due to the partnership between PayNearMe and Infosend, there are minimal implementation requirements and technical work. However, there
is a $1.99 transaction fee. The District has the option of having customers who utilize the service pay or absorb the cost. Studies of other agencies that provide the service find that there is no difference in the usage of PayNearMe regardless if the agency absorbs the cost. Currently, the District pays $1.00 per transaction at the existing authorized payment centers, keeping in mind this does not include staff time required to complete the processing of payments.

Staff conducted a survey to find out how many agencies currently use PayNearMe:

<table>
<thead>
<tr>
<th>Name</th>
<th>Who is responsible for transaction cost?</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Valley Water District</td>
<td>Agency</td>
</tr>
<tr>
<td>Palmdale Water District</td>
<td>Agency</td>
</tr>
<tr>
<td>Liberty Utilities</td>
<td>Customer</td>
</tr>
<tr>
<td>City of Corona</td>
<td>Customer</td>
</tr>
<tr>
<td>City of Poway</td>
<td>Agency</td>
</tr>
</tbody>
</table>

**FISCAL IMPACT:**

There are no set-up fees nor annual maintenance fees with PayNearMe. The District may pay a nominal fee for the redesign of the water bill to add the PayNearMe barcode on the payment coupon. If the Finance Committee recommends Option A, the budget for payment centers will increase from $7,200 to $14,400, however there will be savings in staff time, bank fees from the separate bank accounts, and enhanced customer service.

There are two options to consider for the transaction fees charged by PayNearMe for each transaction as follows:

Option A: The District absorbs the transaction fee.
Option B: The Customer pays the transaction fee.

The Finance Committee reviewed this item on August 16, 2017 and has recommended Option B for consideration by the full Board. According to studies, Option A will encourage more usage among the customers.

**STAFF RECOMMENDATION:**

Staff recommends authorizing the General Manager to execute a contract with PayNearMe and is requesting direction from the Board of Directors to determine which transaction fee option to include in the contract.

Respectfully Submitted,
ATTACHMENT(S):
1. Exhibit A - Payment Locations Map
2. Exhibit B - Payment Locations Heat Map
DATE: September 7, 2017
TO: Board of Directors
FROM: Matthew H. Litchfield, P.E. General Manager
SUBJECT: APPROVE THE PURCHASE OF AN ADMINISTRATIVE POOL VEHICLE AND ALLOCATE FUNDS FROM THE FY 2017-18 CONTINGENCY IN THE AMOUNT OF $23,000

BACKGROUND:

Each year, staff evaluates the condition of the fleet and takes necessary action to replace old and unreliable vehicles or purchase new vehicles to enhance District operations. Currently, the fleet is composed of the following vehicles:

- Sedans 2
- Sport Utility Vehicles (SUV) 5
- Pick-up Trucks 38
- Total 45

At the Finance Committee meeting on July 16, 2017, the Finance Department recommended the purchase of an additional administrative vehicle. Board members of the Finance Committee requested a purchase and lease comparison of the vehicle. This item was brought back to the Finance Committee for review on August 16, 2017. At that time, the Finance Committee recommended moving forward with the request.

DISCUSSION:

All pick-up trucks are assigned to field and production staff and are in use daily. The SUVs and one sedan has been assigned to administrative staff and certain field staff such as water quality and conservation. That leaves 1 sedan that is used daily by Customer Service to retrieve mail from the post office and for general District use by office staff. The availability of an additional pool vehicle will provide more flexibility for staff to utilize vehicles to conduct District business such as attending meetings, conferences, attending District sponsored events during work hours, instead of using their personal vehicles.

Staff is looking into purchasing an SUV that will have the capability of transporting staff or materials and supplies as necessary. Industry standard for an administrative pool vehicle in the fleet is to replace every ten (10) years or at one hundred thousand (100,000) miles. Staff made the following assumptions to conduct the analysis:

- All maintenance costs are the responsibility of the District.
- Only routine maintenance costs (oil change, brakes, tires) were considered. Edmunds.com and Kelley Blue Book were the sources by which staff based maintenance costs on for a 2017 Chevrolet Equinox.
The lease costs was calculated on 10,000 miles per year.

The table below provides the cost comparison between the purchase and lease of a vehicle.

<table>
<thead>
<tr>
<th></th>
<th>Purchase</th>
<th>Lease</th>
<th>Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vehicle</td>
<td>22,738</td>
<td>42,135</td>
<td>Purchase of a vehicle is $19,397 less than the lease of a vehicle. Lease of a vehicle is never paid off.</td>
</tr>
<tr>
<td>Maintenance</td>
<td>18,900</td>
<td>13,000</td>
<td>Maintenance of a leased vehicle is less because the vehicle is traded in at the end of the 5 year time frame.</td>
</tr>
<tr>
<td>Total Cost</td>
<td>$41,638</td>
<td>$55,135</td>
<td>Purchasing a vehicle will result in a savings of $13,497.</td>
</tr>
</tbody>
</table>

Maintenance costs of a leased vehicle do not increase at the same rate as a purchased vehicle because it is traded in for a newer vehicle at the end of a 5-year lease. Whereas, a vehicle that the District owns will have more wear and tear over the 10-year time period. Moreover, when purchased, the vehicle can be sent to auction as a surplus, and revenue from the sale of property can be recorded. A lease is simply turned in with no monetary return.

**FISCAL IMPACT:**

The purchase of an administrative pool vehicle was not included in the FY 2017-18 Annual Budget. Staff is recommending the Board of Directors appropriate funds in the amount of $23,000 from the available contingency to purchase a vehicle.

**FY 2018 Adopted Budget**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$26,829,073</td>
</tr>
<tr>
<td>Expenditures</td>
<td>24,592,946</td>
</tr>
<tr>
<td>Contingency</td>
<td>2,236,127</td>
</tr>
</tbody>
</table>

The Purchasing Department will solicit informal bids and select the lowest responsible bidder for the purchase of the vehicle.

**STAFF RECOMMENDATION:**

Staff recommends that the Board of Directors approve the purchase of an additional administrative pool vehicle and appropriate $23,000 from the contingency to fund the purchase and forward to the Board of Directors for approval.

Respectfully Submitted,

Matthew H. Litchfield, P.E.
General Manager

MR:ss
DATE:         September 7, 2017
TO:           Board of Directors
FROM:         Matthew H. Litchfield, P.E. General Manager
SUBJECT:      APPROVAL OF LONG-TERM LAWYER-CLIENT AGREEMENT WITH

THE LAW FIRM OFFICES OF GRESHAM SAVAGE NOLAN & TILDEN, PC

BACKGROUND:

On May 25, 2017, the West Valley Water District (“District”) Board of Directors approved an
engagement letter with Gresham Savage Tilden & Nolan, PC (“Gresham”) for Interim General
Legal Counsel Services. It is now appropriate at this time to enter into a long-term, lawyer-client
arrangement with Gresham to eliminate the interim status. A copy of the long-term engagement
letter, along with a redline version of the original interim engagement letter is attached as Exhibit A.

FISCAL IMPACT:

General Legal Counsel Services is included in the Fiscal Year 2017-2018 approved operating budget.

STAFF RECOMMENDATION:

Approve the Updated Engagement Letter for General Legal Counsel Services with Gresham Savage
Nolan & Tilden, PC.

Respectfully Submitted,

Matthew H. Litchfield, P.E.
General Manager

ML:ss

ATTACHMENT(S):

1. Exhibit A - Updated Lawyer-Client Agreement (redline and clean version)
August 30, 2017

VIA ELECTRONIC TRANSMISSION

Board of Directors
WEST VALLEY WATER DISTRICT
     Attn:  Mr. Donald Olinger, Board President
     855 West Baseline Road
     Rialto, CA 92376

Re:   Updated General Counsel Services Agreement

Dear President Olinger:

This letter will confirm that West Valley Water District’s (“the District”) engagement of Gresham Savage Nolan & Tilden, P.C. (“the Firm” or “Gresham|Savage”) to serve as the District’s General Counsel and, in that capacity, to represent the District as required by law and as directed by the District’s Board of Directors, has been converted from “interim” to “long-term” status, as contemplated in the initial engagement agreement dated May 25, 2017.

At the request of the District, the Firm will be happy to provide such special counsel services as the District may require; and, at the time of such request, will supplement the scope of our representation as is appropriate.

Attorneys Involved in Provision of Legal Services

I will serve as the District’s General Counsel, and Derek R. Hoffman will serve as Assistant General Counsel. Other attorneys may also perform work when the District and/or the Firm deem it to be in the District’s best interests or for reasons of subject matter expertise, speed of services, cost economy or other reasons that would maximize the provision of professional services to the District.

As agreed, requests for specific services from the District will be communicated through any member of the Executive Committee, or such other District official as has been so authorized by the Board or General Manager.

Gresham|Savage will provide general counsel services to the District in a bifurcated manner, with “Routine General Counsel services” charged at a fixed monthly fee, and
with “Non-Routine General Counsel services” and special counsel services charged at a discount of fifteen percent (15%) off of the Firm's standard billing rates.

Routine General Counsel services shall include:

- preparation for and attendance at up to two (2) regularly scheduled monthly Board Meetings;
- advice to the Board of Directors and General Manager on matters of general district administration [projected at 10 hours / month];
- bi-monthly written status reports on all specific assignments; and
- review and advice regarding the development of ordinances, resolutions, motions, policies and procedures [drafting, implementation and enforcement are non-routine].

Non-Routine General Counsel services shall include:

- advice to the Board of Directors and General Manager on matters other than general district administration;
- special projects assigned by the Board of Directors or General Manager;
- drafting, advising regarding the implementation, and facilitating the enforcement of ordinances, resolutions, motions, policies and procedures.
- preparation for and attendance at Special Board Meetings, and at Committee Meetings and Board and Administration workshops, as requested;
- representation and advice in connection with potential and pending litigation, administrative and adjudicatory proceedings;
- representation of the District in connection with the development, modification, approval or implementation of General or Special Groundwater or Watercourse Adjudications; the Sustainable Groundwater Management Act, including Groundwater Sustainability Agencies and Plans; Water Supply Assessments; Urban Water Management Plans; Integrated Regional Water Management Plans; Inter-Agency Agreements; water acquisition and transfer arrangements; recycled water arrangements; water conservation plans; and other water management plans, protocols and procedures;
• oversight of Special Counsel services provided by other than Gresham|Savage attorneys;

• research, advice and opinions of a non-routine nature to the Board of Directors and Administration;

• Special Counsel services; and

• other services from time to time requested by the District.

Gresham|Savage will provide the above-described general counsel services for a monthly fee of Seventy-Five Hundred Dollars ($7500), based upon a blended hourly rate of Four Hundred Dollars ($400). Gresham|Savage and the District agree to review and consider fair and appropriate adjustments to this fixed monthly fee annually in coordination with the District’s budgeting process.

Gresham|Savage’s rates for Shareholder and Senior Counsel to the firm range from $350 to $585 per hour and the rates of our Associate Attorneys range from $225 to $415 per hour. The firm charges the time for Paralegals at rates ranging from $135 to $225 per hour. My present standard billing rate is $485.00 per hour; and Derek R. Hoffman’s standard billing rate is $325.00 per hour. The Firm’s standard billing rates are subject to change, reviewed annually, and any changes which may be made are typically effective as of January 1. Adjustments will be implemented in accordance with the State Bar’s Rules of Professional Conduct.

No travel will be charged to or from the District’s offices. Other travel time will be charged at the rate of fifty percent (50%) of the Firm’s standard billing rates.

For conflict of interest purposes, we would like to clarify the following: that our sole client as to any matter will be West Valley Water District and that we will not be representing any other person or entity, including West Valley Water District’s individual officers, officials, board members, partners, shareholders, or employees.

Billing Agreement

Depending upon the precise nature of the services requested, the actual charge for services will be the hourly rate of the attorney or attorneys involved multiplied by the number of hours utilized (calculated in one-tenth hour increments). The attorney or attorneys involved on this Matter will be determined based upon such variables as the difficulty of the assignment, and the extent to which expedited services have been requested or are required.
Any direct costs advanced by us, such as filing fees, deposition costs, expert witness or consultant fees, etc., will be billed to the District. Additionally, charges for the cost items shown in the attached schedule, such as extraordinary telecopying or photocopying, conference telephone charges, overnight delivery, courier costs and extraordinary postage costs will also be charged as part of our representation.

We have requested no initial retainer. If requested for a special assignment, the retainer will be deposited in our firm’s client trust account, and will be applied monthly to the statements for that specific matter. Any unused portion of the retainer deposit will be returned to the District at the conclusion of that specific representation. We reserve the right to request an additional retainer (or to request an increase in an existing retainer) whenever the extent of the requested services or the District’s previous payment record makes such a request appropriate, in our discretion. Neither the original retainer nor any increased retainer should be considered an estimate of the total fees, which may significantly exceed the amount of the retainer.

Billing for our services and any necessary costs advanced will be directed to the District. By signing this letter, the District agrees to pay all legal fees and other charges made by our firm. At the District’s request, we will be happy to provide the District a budget as specific projects arise.

Our statements will be issued on a monthly basis, and full payment is due upon receipt of each statement. Our statements will be detailed and we invite the District to ask for any further explanation the District may require. In the event that any statement should remain unpaid for more than sixty (60) days after the District’s receipt of the statement, we will normally withdraw from further representation unless arrangements for an alternate means of payment have been approved by our Executive Committee. We also reserve the right to impose a late payment charge of one and one half percent (1½%) per month, at our election, for any statement which remains unpaid for more than sixty (60) days after the District’s receipt of the statement.

Other Matters

We maintain a conflict of interest index which lists all our clients and matters in which they were represented by us. Representation of any party with an interest that may be adverse to an indexed client will not be accepted by us without an examination to determine if a professional conflict of interest would be created. The District is indexed as “West Valley Water District” and “West Valley Water District, a County Water District.”
We have also run a conflicts check for the following:

- Fontana Water Company
- San Gabriel Valley Water Company
- Cucamonga Valley Water District

as “adverse” or “potentially adverse” and determined that no conflict appears or is likely to exist. As to these specific listings, we request that the District review these listings to determine whether they are adequate; and, unless we hear from the District to the contrary, we will assume that the listings are accurate and complete.

In order for us to represent the District, we will need the District’s prompt response to our letters and telephone calls for factual information and the District’s cooperation in all matters requested by and of us from time to time. Naturally, we will make every effort to respond to the District’s telephone calls or inquiries as expeditiously as possible, and no later than within one (1) business day.

We rarely have disagreements with our clients over our fees. Nevertheless, the District should be aware that the District is entitled to require that any fee dispute be resolved by binding arbitration pursuant to the arbitration rules for fee disputes of the San Bernardino County Bar Association. In the event that the District chooses not to utilize the San Bernardino County Bar arbitration procedures, the District agrees that all disputes between us regarding the services rendered or fees charged shall be submitted to binding arbitration in San Bernardino County, to be conducted by JAMS in accordance with its commercial arbitration rules. Of course, if at any time the District has questions, concerns or criticisms, please contact me at once.

The District has the right to terminate our representation at any time. We have the same right, subject to an obligation to give the District reasonable notice to arrange alternative representation. In either circumstance, the District agrees to secure new counsel to represent the District as quickly as possible. Notwithstanding the termination of that representation, the District will remain obligated to pay us all fees and costs incurred prior thereto.

Unless we are directed otherwise in writing by the District, all client communications on this Matter will be coordinated through the District. Additionally, the District authorizes us, at the conclusion of this Matter, to return any and all original documentation to the District, unless the District otherwise directs us in writing, and to dispose of copies of documents sent from the District after the fifth anniversary of the closing of the file on this Matter.
Finally, it should be noted that no representation or guarantee of any particular outcome has been made regarding any particular matter. Instead, the only arrangement between us is that we will extend our best professional efforts on the District’s behalf.

Please understand that the seeming formality of this letter should not be thought to be characteristic of the tone or nature of our anticipated relationship. We are required by the law of the State of California to provide the foregoing information to the District in writing, and the formality of tone is the result of compliance with that requirement. We are also required to inform the District that we currently maintain professional liability insurance coverage.

If this letter agreement meets with the District’s approval, please indicate the District’s acceptance by dating and signing this letter and returning it to us. We look forward to representing the District in this Matter and to a long and valued relationship.

Sincerely,

Michael Duane Davis, for
GRESHAM SAVAGE
NOLAN & TILDEN, PC
MDD:dms

The undersigned understands and agrees to the foregoing:

Date: _____________, 2017

West Valley Water District
A County Water District

By: __________________________________________
   Mr. Donald Olinger
   President, Board of Directors

By: __________________________________________
   Matthew Litchfield
   General Manager
Rate Sheet  
Gresham Savage Nolan & Tilden, PC  

<table>
<thead>
<tr>
<th>Service</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extraordinary Telecopy charges</td>
<td>$1.00 per page</td>
</tr>
<tr>
<td>Extraordinary Photocopy charges</td>
<td>$0.15 per page</td>
</tr>
<tr>
<td>Overnight Delivery</td>
<td>Actual Cost</td>
</tr>
<tr>
<td>Courier Costs</td>
<td>Actual Cost</td>
</tr>
<tr>
<td>Extraordinary Postage</td>
<td>Actual Cost</td>
</tr>
<tr>
<td>Online Research</td>
<td>Not Charged</td>
</tr>
</tbody>
</table>

These rates may be increased from time to time and are applicable as of their effective date.
Privacy Of Information Disclosure Notice

Pursuant to the Gramm-Leach-Bliley Act, Public Law Number 106-102, and the rule issued by the Federal Trade Commission regarding the Privacy of Consumer Financial Information, 16 Code of Federal Regulations Part 313, law firms are required to provide written notices to certain clients regarding disclosure of non-public personal information. As the District’s attorneys, Gresham Savage Nolan & Tilden, a Professional Corporation, collects non-public information about the District from the District and, with the District’s authorization, from third parties such as accountants, financial advisors, insurance agents, banking institutions, and other advisors. We do not disclose any non-public personal information about our clients or former clients to anyone except as authorized by that client. If we are authorized by the District, we may disclose non-public personal information to unrelated third parties. Such unrelated third parties would include accountants, financial advisors, insurance agents, or government authorities in connection with any tax returns prepared by us or tax planning. We restrict access to non-public personal information about the District to those employees of our law firm who need to know the information in order to provide legal services to the District. We maintain physical, electronic, and procedural safeguards that comply with Federal Regulations and our rules of ethics to guard the District’s non-public personal information.

Attorney-Client Privilege

While the foregoing federal laws and regulations establish rules and disclosure requirements, they do not limit the attorney-client privilege or the confidentiality rules for information provided to attorneys. The privilege and confidentiality rules are governed by state law, the rules imposed on attorneys under state law and our ethics standards. In circumstances where applicable federal laws might allow disclosure, we will continue to follow the stricter non-disclosure rules of attorney-client privilege and client confidentiality.
June 12, August 28, 2017

VIA ELECTRONIC TRANSMISSION

Board of Directors
WEST VALLEY WATER DISTRICT
    Attn: Dr. Mr. Clifford O. Young, Sr., Donald Olinger, Board President
855 West Baseline Road
Rialto, CA 92376

Re: Updated General Counsel Services by Gresham Savage Nolan & Tilden, PC

Dear President Young/Olinger:

This letter will confirm that West Valley Water District’s (“the District”) engagement of Gresham Savage Nolan & Tilden, P.C. (“the Firm” or “Gresham|Savage”) to serve as the District’s General Counsel and, in that capacity, to represent the District as required by law and as directed by the District’s Board of Directors, has been converted from “interim” to “long-term” status, as contemplated in the initial engagement agreement dated May 25, 2017.

This engagement will be effective May 25, 2017, and formalized as a long-term general counsel services relationship within approximately sixty (60) days.

At the request of the District, the Firm will be happy to provide such Special Counsel services as the District may require; and, at the time of such request, will supplement the scope of our representation as is appropriate.

Attorneys Involved in Provision of Legal Services

I will serve as the District’s General Counsel, and Derek R. Hoffman will serve as Assistant General Counsel. Other attorneys may also perform work when the District and/or the Firm deem it to be in the District’s best interests or for reasons of subject matter expertise, speed of services, cost economy or other reasons that would maximize the provision of professional services to the District.
As agreed, requests for specific services from the District will be communicated through any member of the Executive Committee, or such other District official as has been so authorized by the Board or General Manager.

Gresham Savage will provide General Counsel services to the District in a bifurcated manner, with “Routine General Counsel services” charged at a fixed monthly fee, and with “Non-Routine General Counsel services” and Special Counsel services charged at a discount of fifteen percent (15%) off of the Firm’s standard billing rates.

Routine General Counsel services shall include:

- preparation for and attendance at up to two (2) regularly scheduled monthly Board Meetings;
- advice to the Board of Directors and General Manager on matters of general district administration [projected at 10 hours / month];
- bi-monthly written status reports on all specific assignments; and
- reviewing and advising regarding the development of ordinances, resolutions, motions, policies and procedures [drafting, implementation and enforcement are non-routine].

Non-Routine General Counsel services shall include:

- advice to the Board of Directors and General Manager on matters other than general district administration;
- special projects assigned by the Board of Directors or General Manager;
- drafting, advising regarding the implementation, and facilitating the enforcement of ordinances, resolutions, motions, policies and procedures.
- preparation for and attendance at Special Board Meetings, and at Committee Meetings and Board and Administration workshops, as requested;
- representation and advice in connection with potential and pending litigation, administrative and adjudicatory proceedings;
- representation of the District in connection with the development, modification, approval or implementation of General or Special Groundwater
or Watercourse Adjudications; the Sustainable Groundwater Management Act, including Groundwater Sustainability Agencies and Plans; Water Supply Assessments; Urban Water Management Plans; Integrated Regional Water Management Plans; Inter-Agency Agreements; water acquisition and transfer arrangements; recycled water arrangements; water conservation plans; and other water management plans, protocols and procedures;

- oversight of Special Counsel services provided by other than Gresham|Savage attorneys;

- research, advice and opinions of a non-routine nature to the Board of Directors and Administration;

- Special Counsel services; and

- other services from time to time requested by the District.

Gresham|Savage will provide the above-described General Counsel services for a monthly fee of Seventy-Five Hundred Dollars ($7500), based upon a blended hourly rate of Four Hundred Dollars ($400). Gresham|Savage and the District agree to review and consider fair and appropriate adjustments to this fixed monthly fee annually in coordination with the District’s budgeting process.

Gresham|Savage’s rates for Shareholder and Senior Counsel to the firm range from $350 to $585 per hour and the rates of our Associate Attorneys range from $225 to $415 per hour. The firm charges the time for Paralegals at rates ranging from $135 to $225 per hour. My present standard billing rate is $485.00 per hour; and Derek R. Hoffman’s standard billing rate is $325.00 per hour. The Firm’s standard billing rates are subject to change, reviewed annually, and any changes which may be made are typically effective as of January 1. Adjustments will be implemented in accordance with the State Bar’s Rules of Professional Conduct.

No travel will be charged to or from the District’s offices. Other travel time will be charged at the rate of fifty percent (50%) of the Firm’s standard billing rates.

For conflict of interest purposes, we would like to clarify the following: that our sole client as to any matter will be West Valley Water District and that we will not be representing any other person or entity, including West Valley Water District’s individual officers, officials, board members, partners, shareholders, or employees.
Billing Agreement

Depending upon the precise nature of the services requested, the actual charge for services will be the hourly rate of the attorney or attorneys involved multiplied by the number of hours utilized (calculated in one-tenth hour increments). The attorney or attorneys involved on this Matter will be determined based upon such variables as the difficulty of the assignment, and the extent to which expedited services have been requested or are required.

Any direct costs advanced by us, such as filing fees, deposition costs, expert witness or consultant fees, etc., will be billed to the District. Additionally, charges for the cost items shown in the attached schedule, such as extraordinary telecopying or photocopying, conference telephone charges, overnight delivery, courier costs and extraordinary postage costs will also be charged as part of our representation.

We have requested no initial retainer. If requested for a special assignment, the retainer will be deposited in our firm’s client trust account, and will be applied monthly to the statements for that specific matter. Any unused portion of the retainer deposit will be returned to the District at the conclusion of that specific representation. We reserve the right to request an additional retainer (or to request an increase in an existing retainer) whenever the extent of the requested services or the District’s previous payment record makes such a request appropriate, in our discretion. Neither the original retainer nor any increased retainer should be considered an estimate of the total fees, which may significantly exceed the amount of the retainer.

Billing for our services and any necessary costs advanced will be directed to the District. By signing this letter, the District agrees to pay all legal fees and other charges made by our firm. At the District’s request, we will be happy to provide the District a budget as specific projects arise.

Our statements will be issued on a monthly basis, and full payment is due upon receipt of each statement. Our statements will be detailed and we invite the District to ask for any further explanation the District may require. In the event that any statement should remain unpaid for more than sixty (60) days after the District’s receipt of the statement, we will normally withdraw from further representation unless arrangements for an alternate means of payment have been approved by our Executive Committee. We also reserve the right to impose a late payment charge of one and one half percent (1½%) per month, at our election, for any statement which remains unpaid for more than sixty (60) days after the District’s receipt of the statement.
Other Matters

We maintain a conflict of interest index which lists all our clients and matters in which they were represented by us. Representation of any party with an interest that may be adverse to an indexed client will not be accepted by us without an examination to determine if a professional conflict of interest would be created. The District is indexed as “West Valley Water District” and “West Valley Water District, a County Water District.”

We have also run a conflicts check for the following:

- Fontana Water Company
- San Gabriel Valley Water Company
- Cucamonga Valley Water District

as “adverse” or “potentially adverse” and determined that no conflict appears or is likely to exist. As to these specific listings, we request that the District review these listings to determine whether they are adequate; and, unless we hear from the District to the contrary, we will assume that the listings are accurate and complete.

In order for us to represent the District, we will need the District’s prompt response to our letters and telephone calls for factual information and the District’s cooperation in all matters requested by and of us from time to time. Naturally, we will make every effort to respond to the District’s telephone calls or inquiries as expeditiously as possible, and no later than within one (1) business day.

We rarely have disagreements with our clients over our fees. Nevertheless, the District should be aware that the District is entitled to require that any fee dispute be resolved by binding arbitration pursuant to the arbitration rules for fee disputes of the San Bernardino County Bar Association. In the event that the District chooses not to utilize the San Bernardino County Bar arbitration procedures, the District agrees that all disputes between us regarding the services rendered or fees charged shall be submitted to binding arbitration in San Bernardino County, to be conducted by JAMS in accordance with its commercial arbitration rules. Of course, if at any time the District has questions, concerns or criticisms, please contact me at once.

The District has the right to terminate our representation at any time. We have the same right, subject to an obligation to give the District reasonable notice to arrange alternative representation. In either circumstance, the District agrees to secure new counsel to represent the District as quickly as possible. Notwithstanding the
termination of that representation, the District will remain obligated to pay us all fees and costs incurred prior thereto.

Unless we are directed otherwise in writing by the District, all client communications on this Matter will be coordinated through the District. Additionally, the District authorizes us, at the conclusion of this Matter, to return any and all original documentation to the District, unless the District otherwise directs us in writing, and to dispose of copies of documents sent from the District after the fifth anniversary of the closing of the file on this Matter.

Finally, it should be noted that no representation or guarantee of any particular outcome has been made regarding any particular matter. Instead, the only arrangement between us is that we will extend our best professional efforts on the District’s behalf.

Please understand that the seeming formality of this letter should not be thought to be characteristic of the tone or nature of our anticipated relationship. We are required by the law of the State of California to provide the foregoing information to the District in writing, and the formality of tone is the result of compliance with that requirement. We are also required to inform the District that we currently maintain professional liability insurance coverage.

If this letter agreement meets with the District’s approval, please indicate the District’s acceptance by dating and signing this letter and returning it to us. We look forward to representing the District in this Matter and to a long and valued relationship.

Sincerely,

Michael Duane Davis, for
GRESHAM SAVAGE
NOLAN & TILDEN, PC
MDD:dms

The undersigned understands and agrees to the foregoing:

Date: _____________, 2017          West Valley Water District
West Valley Water District
Re: Legal Services to be provided by Gresham Savage Nolan & Tilden, pc
June 12, 2017
Re: Updated General Counsel Services Agreement
August 28, 2017
Page 7

A County Water District

By:______________________________
   Dr. Clifford O. Young, Sr.
   Mr. Donald Olinger
   President, Board of Directors

By:______________________________
   Matthew Litchfield
   General Manager
Rate Sheet
Gresham Savage Nolan & Tilden, PC

<table>
<thead>
<tr>
<th>Service</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extraordinary Telecopy charges</td>
<td>$1.00 per page</td>
</tr>
<tr>
<td>Extraordinary Photocopy charges</td>
<td>$0.15 per page</td>
</tr>
<tr>
<td>Overnight Delivery</td>
<td>Actual Cost</td>
</tr>
<tr>
<td>Courier Costs</td>
<td>Actual Cost</td>
</tr>
<tr>
<td>Extraordinary Postage</td>
<td>Actual Cost</td>
</tr>
<tr>
<td>Online Research</td>
<td>Not Charged</td>
</tr>
</tbody>
</table>

These rates may be increased from time to time and are applicable as of their effective date.
GRESHAM SAVAGE NOLAN & TILDEN
A Professional Corporation

Privacy Of Information Disclosure Notice
Pursuant to the Gramm-Leach-Bliley Act, Public Law Number 106-102, and the rule issued by the Federal Trade Commission regarding the Privacy of Consumer Financial Information, 16 Code of Federal Regulations Part 313, law firms are required to provide written notices to certain clients regarding disclosure of non-public personal information. As the District’s attorneys, Gresham Savage Nolan & Tilden, a Professional Corporation, collects non-public information about the District from the District and, with the District’s authorization, from third parties such as accountants, financial advisors, insurance agents, banking institutions, and other advisors. We do not disclose any non-public personal information about our clients or former clients to anyone except as authorized by that client. If we are authorized by the District, we may disclose non-public personal information to unrelated third parties. Such unrelated third parties would include accountants, financial advisors, insurance agents, or government authorities in connection with any tax returns prepared by us or tax planning. We restrict access to non-public personal information about the District to those employees of our law firm who need to know the information in order to provide legal services to the District. We maintain physical, electronic, and procedural safeguards that comply with Federal Regulations and our rules of ethics to guard the District’s non-public personal information.

Attorney-Client Privilege
While the foregoing federal laws and regulations establish rules and disclosure requirements, they do not limit the attorney-client privilege or the confidentiality rules for information provided to attorneys. The privilege and confidentiality rules are governed by state law, the rules imposed on attorneys under state law and our ethics standards. In circumstances where applicable federal laws might allow disclosure, we will continue to follow the stricter non-disclosure rules of attorney-client privilege and client confidentiality.
DATE: September 7, 2017
TO: Board of Directors
FROM: Matthew H. Litchfield, P.E. General Manager
SUBJECT: APPROVAL OF PAYMENT TO GRESHAM SAVAGE NOLAN & TILDEN, PC FOR PROFESSIONAL SERVICES RENDERED THROUGH JULY 31, 2017; STATEMENT NO. W1582 - ALL MATTERS; TOTAL AMOUNT OF $48,082.47

BACKGROUND:

Attached for the Board of Directors (“Board”) review and consideration are invoices for professional services rendered by Gresham Savage Nolan & Tilden, PC during the month of July, 2017.

FISCAL IMPACT:

General Legal Counsel Services is included in the Fiscal Year 2017-2018 approved operating budget.

STAFF RECOMMENDATION:

Approve Payment to Gresham Savage Nolan & Tilden, PC for Routine and Non-Routine Professional Services rendered through July 31, 2017; Summary Statement #W1582 - All Matters; for a total amount of $48,082.47.

Respectfully Submitted,

Matthew H. Litchfield, P.E.
General Manager

MHL:ss