MINUTES
REGULAR BOARD MEETING
of the
WEST VALLEY WATER DISTRICT
June 21, 2018

<table>
<thead>
<tr>
<th>Attendee Name</th>
<th>Present</th>
<th>Absent</th>
<th>Late</th>
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<tbody>
<tr>
<td>Clifford Young</td>
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<td>Gregory Young</td>
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<td>Donald Olinger</td>
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<td>Kyle Crowther</td>
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<td>Michael Taylor</td>
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<td>Greg Gage</td>
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<td>Crystal L. Escalera</td>
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<td>Patricia Romero</td>
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<td>Deborah Martinez</td>
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<td>Joanne Chan</td>
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<td>Linda Jadeski</td>
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<td>Jon Stephenson</td>
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<td>Naisha Davis</td>
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<td>Ricardo Pacheco</td>
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<td>Robert Tafoya</td>
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OPENING CEREMONIES

Pledge of Allegiance - Lead by Dr. Michael Taylor
Opening Prayer - Lead by Vice President Greg Young
Call to Order
Roll Call of Board Members - Director Olinger and Director Kyle Crowther were excused from this meeting. Director Olinger was attending the WESTCAS 2018 Conference and Director Kyle Crowther had asked to be excused from this meeting earlier in the month due to a scheduling conflict.

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ADOPT AGENDA

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

PUBLIC PARTICIPATION
- Don Griggs addressed the Board.
- June Hayes from San Bernardino Valley Municipal Water District brought Assembly Bill 2050 to the Board's attention and asked for their support of the bill. Discussion ensued following her presentation. No action was taken.

CONSENT CALENDAR

All the items on the Consent Calendar were motioned to be approved in one vote by Vice President Greg Young. Director Dr. Taylor second the motion and it was approved with the following vote.

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

1. APPROVAL OF MAY 2018 CASH DISBURSEMENTS REPORT
Vice President Greg Young motioned to have the Consent Calendar (items No. 1 through No. 5) taken in one vote, Director Dr. Taylor second the motion and it was approved with the following vote.

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

2. APPROVAL OF MAY 2018 PURCHASE ORDER REPORT
Vice President Greg Young motioned to have the Consent Calendar (items No. 1 through No. 5) taken in one vote, Director Dr. Taylor second the motion and it was approved with the following vote.

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3. CONSIDER AWARD OF CONTRACT FOR CONSTRUCTION OF 30-INCH TRANSMISSION LINE IN HIGHLAND AVENUE TO MERLIN JOHNSON CONSTRUCTION, INC.

Vice President Greg Young motioned to have the Consent Calendar (items No. 1 through No. 5) taken in one vote, Director Dr. Taylor second the motion and it was approved with the following vote.

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

4. CONSIDER A REIMBURSEMENT AGREEMENT WITH THRIFTY OIL, INC

Vice President Greg Young motioned to have the Consent Calendar (items No. 1 through No. 5) taken in one vote, Director Dr. Taylor second the motion and it was approved with the following vote.

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

5. CONSIDER A WATER SYSTEM INFRASTRUCTURE INSTALLATION AND CONVEYANCE AGREEMENT WITH THRIFTY OIL, INC

Vice President Greg Young motioned to have the Consent Calendar (items No. 1 through No. 5) taken in one vote, Director Dr. Taylor second the motion and it was approved with the following vote.

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

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BUSINESS MATTERS

President Dr. Young Moved to take item No. 1 of Business Matters, as a separate vote and the balance of the Business Matters items (No. 2 through No. 7) to be taken in one vote. Naisha Davis, Chief Financial Officer, presented a power point of the 2018-2019 Fiscal Year Budget. The Board then took a vote to approve the Budget as noted on item No. 1 of Business Matters. President Dr. Young then motioned to move the balance of the items for Business Matters for approval. Vice President Young seconded the Motion and Director Taylor voted to approve the items which passed with his vote.

1. BUDGET 2018-2019

Naisha Davis presented a power point of the 2018-19 Fiscal Year Budget to the Board, staff and attending community. President Dr. Young asked Ms. Davis if the Board of Directors compensation budget included an increase since the Board of Directors have not had a fee increase in over two years. Naisha Davis confirmed an increase has been built into the Board of Directors compensation budget. The new rate will be calculated at the allotted compensation level of the Board to be increased by five 5% percent per calendar year (California Code Section 20202). Ms. Davis further clarified that the Directors are allowed to be paid for 10 meetings per year at this rate in accordance with Ordinance 84. President Dr. Young asked for questions from the Board of which there were none and thanked Ms Davis for her informative presentation and diligence in preparing the budget along with the staff. The attending Board Directors also thanked Ms. Davis and complimented the staff and her for their hard work.

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

2. APPROVAL OF ZIPRICK & CRAMER, LLP FOR PROFESSIONAL SERVICES RENDERED FOR THE MONTH OF OF APRIL, 2018; INVOICE NO. 942: $3,469.44. AND MAY, 2018; INVOICE NO. 1021: $7,355.22.

President Dr. Young Moved to have the balance of the Business Matters to be taken in vote (items No. 2 through No. 7). Before a vote was taken, President Dr. Young asked the Board if they had any questions. No questions were asked and the following vote was taken:

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

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3. APPROVAL OF 2018-19 JOB CLASSIFICATION SCHEDULE

President Dr. Young Moved to have the balance of the Business Matters to be taken in vote (items No. 2 through No. 7). Before a vote was taken, President Dr. Young asked the Board if they had any questions. No questions were asked and the following vote was taken:

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

4. ADOPT RESOLUTION 2018-15 AMENDING THE CODE OF ETHICS POLICY

President Dr. Young Moved to have the balance of the Business Matters to be taken in vote (items No. 2 through No. 7). Before a vote was taken, President Dr. Young asked the Board if they had any questions. No questions were asked and the following vote was taken:

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

5. ADOPT RESOLUTION 2018-14 AMENDING SCHEDULE OF CHARGES FOR THE HOURLY LABOR AND VEHICLE/EQUIPMENT HOURLY RATES FOR WATER SERVICE REGULATIONS

President Dr. Young Moved to have the balance of the Business Matters to be taken in vote (items No. 2 through No. 7). Before a vote was taken, President Dr. Young asked the Board if they had any questions. No questions were asked and the following vote was taken:

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

6. APPROVAL OF AGREEMENT FOR PROFESSIONAL SERVICES WITH WILLOUGHBY & ASSOCIATES FOR STATE LEGISLATIVE AND ADVOCACY SERVICES

President Dr. Young Moved to have the balance of the Business Matters to be taken in vote (items No. 2 through No. 7). Before a vote was taken, President Dr. Young asked the Board if they had any questions. No questions were asked and the following vote was taken:

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

7. CONSULTING SERVICES CONTRACT FOR ROBERT KATHERMAN

President Dr. Young Moved to have the balance of the Business Matters to be taken in vote (items No. 2 through No. 7). Before a vote was taken, President Dr. Young asked the Board if they had any questions. No questions were asked and the following vote was taken:

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

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

- Board Members
  - No comments were made.

- Legal Counsel
  - Mr. Tafoya reviewed his notes from Closed Session and had an additional report. The Board voted 3-0 to appoint Clarence C. Mansell, Jr. as Interim General Manager, effective July 1, 2018. The Board also voted 3-0 to appoint Robert Christman as Assistant Chief Financial Officer as of July 1, 2018. This concluded Mr. Tafoya's report.

- General Manager
  - No comments were made.

FUTURE AGENDA ITEMS

- No items were announced.

INFORMATION

- Briefing on the new Long-term Water Use Efficiency/Conservation Laws SB 606 (Hertzberg) and AB 1668 (Friedman).
  - Robert Katherman gave an update to the Board regarding Senate Bill 606 (Senator Hertzberg) and Assembly Bill 1668 (Assembly Woman Friedman) following Business Matters. These new laws will go into effect in 2022 and will impact the district.

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significantly. Mr. Katheman pointed out several deadlines for compliance with the new laws in the upcoming year(s), along with penalties that will be enforced if the deadlines are not met. Vice President Young commented on the importance of the news laws and the heavy workload ahead of the district to meet all the criteria for compliance. With the concurrence of the Board, President Dr. Young ask Mr. Katheman to develop an implementation plan for the district in three months. Mr. Katheman felt that he can give an update to the Board on a quarterly basis.

Following this report, Joanne Chan gave an Operations Update to the Board. She announced that the 2017 Consumer Confidence Report has been uploaded to the District website for consumers to review. A report on the rainfall for this year was also given.

CLOSED SESSION

The Board adjourned from Closed Session at 6:00 PM in order to start the scheduled meeting and would return into closed session after all the items on the agenda were addressed. Legal Counsel announced the Board would continue to discuss the Fontana litigation matter when they resumed Closed Session. Legal counsel also announced Robert Christman had resigned from his position as General Manager and Naisha Davis was temporarily named the Acting General Manager.

During the Reports portion of the meeting, Mr. Tafoya announced that he had an additional report from Closed Session that was not given at the beginning of the meeting. The Board had voted 3-0 to appoint Clarence C. Mansell, Jr. as Interim General Manager and the Board also voted 3-0 to appoint Robert Christman as Assistant Chief Financial Officer. Both appointments would become effective on July 1, 2018.

The Board went back into Closed Session at 6:40 PM and returned at 7:20 PM. Legal counsel had no report from this Closed Session.

- CONFERENCE WITH LEGAL COUNSEL - PUBLIC EMPLOYEE APPOINTMENT - Pursuant to Government Code Section 54957, Title(s): Interim General Manager

- CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Pursuant to paragraph one (1) of subdivision (d) of Government Code Section 54956.9 Case Name: San Bernardino Valley Municipal Water v. San Gabriel Valley Water Case No.: CIVDS1311085

- CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: Number of Cases: Five (5)

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ADJOURN

The meeting adjourned at 7:20 PM.

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

ATTEST:

Crystal L. Escalera, Board Secretary

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