MINUTES
REGULAR BOARD MEETING
of the
WEST VALLEY WATER DISTRICT
January 16, 2020

<table>
<thead>
<tr>
<th>Attendee Name</th>
<th>Present</th>
<th>Excused</th>
<th>Absent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Directors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Channing Hawkins</td>
<td>✔</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Kyle Crowther</td>
<td>✔</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Michael Taylor</td>
<td>✔</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Clifford Young</td>
<td>✔</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Gregory Young</td>
<td>✔</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Staff</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clarence Mansell</td>
<td>✔</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Jeremiah Brosowske</td>
<td>✔</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Crystal L. Escalera</td>
<td>✔</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Deborah Martinez</td>
<td>□</td>
<td>✔</td>
<td>□</td>
</tr>
<tr>
<td>Shamindra Maishabal</td>
<td>✔</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Joanne Chan</td>
<td>✔</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Linda Jadeski</td>
<td>✔</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Jon Stephenson</td>
<td>✔</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Albert Clinger</td>
<td>✔</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Naseem Farooqi</td>
<td>✔</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Legal Counsel</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Robert Tafoya</td>
<td>✔</td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>

OPENING CEREMONIES

Pledge of Allegiance
Opening Prayer - Led by Reverend Jose Vindel, Rialto United Methodist Church
Call to Order
Roll Call of Board Members

WVWD
Minutes: 1/16/20
ADOPT AGENDA

President Channing Hawkins motioned to table Items No. 9 and 11 to the January 16, 2020 meeting, and to table and give direction to General Counsel for Item No. 10. The direction given was to have General Counsel advise on Item No. 10 in preparation for the January 16, 2020 meeting. Director Dr. Taylor second the motion and the following vote was taken:

TABLE ITEM NO. 9, 10, AND 11 TO THE FEBRUARY 6, 2020 REGULAR MEETING AND ADOPT BALANCE OF AGENDA

| RESULT: | APPROVED [UNANIMOUS] |
| MOVER:  | Channing Hawkins, President |
| SECONDER: | Michael Taylor, Director |
| AYES: | Channing Hawkins, Michael Taylor, Kyle Crowther, Clifford Young, Gregory Young |

PUBLIC PARTICIPATION
Comments were made to the board by Anthony "Butch" Araiza, and Gill Navarro (Director, San Bernardino Valley Municipal Water District). Additional remarks to the Board of Directors were also made by Don Giggis on behalf of Hardy Brown and himself, Diana Araiza, and Gary Grossich (Vice Chairman, Bloomington Municipal Advisory Council). No further comments were made.

INFORMATION

1. UPDATE ON FXB/FBR.

Operations Manager, Joanne Chan, gave a brief report to the Board of Directors regarding the Fixed Bed Reactor: (FXB) and Fluidized Bed Reactor (FBR). Ms. Chan reported first on the FBR and explained that the plant was taken off-line on December 30, 2019 due to process issues. She informed the Board that this presented an opportunity to work on the filter and underdrain project which is anticipated to be complete in two months, and the FBR will be brought back on-line after the project is complete. Ms. Chan also explained that the district is also exploring options to discharge FBX/FBR recharge water. The first option is to discharge into the Cactus Basin. The challenge would be to do so without creating habitat and obtaining all the necessary environmental permits to maintain the basin. The first option also includes a $2,500,000.00 mitigation fee. Option two is to discharge into the Rialto sewage system. However, this option would be costly. She also informed the Board that in the meanwhile, the district is also in the process of amending its long term permit to increase the discharge flow from 250-2,000 gpm. The last option Ms. Chan presented is to convert Well No. 33 into an injection well and is projected to cost $1,500,000.00. Ms. Chan then introduced Jess Brown from Carollo Engineers to give an update on the FXB. Mr. Brown informed the Board that Carollo Engineers is in the process of working on punch list items before turning over the plant to the district. He reported that Carollo Engineers wanted to ensure the plant is running properly and discharging correctly before finalizing the project.

WVVD
Minutes: 1/16/20
President Hawkins asked Ms. Chan what impact the FXB/FBR has on the water service provided by the district. Ms. Chan responded that the FXB/FBR does no impact delivering water to the rate payers. Director Greg Young also inquired when Carollo Engineers anticipates finalizing the project. Mr. Brown responded that he anticipates the project to be finalized 1-2 months after the plant begins discharging.

2. SPECIAL DISTRICT LEADERSHIP FOUNDATION (OUR COMMITMENT TO EXCELLENCE)

Jeremiah Brosowske, Assistant General Manager, introduced Ms. Birts who presented to the Board of Directors the plan for West Valley Water District to become a “District of Distinction” through the Special Leadership District Foundation (SDLF). Following the presentation President Hawkins briefly commented on the credibility of SDLF and obtaining accountability by an outside agency for transparency. He also informed the public that the district has not taken action on becoming a District of Distinction and a formal vote will be taken at a later date. The presentation was intended to inform the public on the districts vision. He then gave direction to Mr. Brosowske and Ms. Birts to begin the application process and to bring their update back to the Board for approval.

CONSENT CALENDAR

At this time President Hawkins announced that Shamindra “Ricky” Manbahal, Chief Financial Officer, had a correction for the Treasurers Report on the Consent Calendar. Mr. Manbahal then informed the Board that he found an error while reviewing the report presented in the packet. The Treasurers Report included the August ending balance instead of Septembers ending balance. The August ending balance was $12,709,736.10 and Septembers ending balance was $12,703,049.18 for a difference of $6,686.92. He then distributed a corrected report to the Directors (attached as Exhibit “A”). Director Greg Young then motioned to adopt the Consent Calendar with the amended Treasurers Report. Director Dr. Taylor second the motion which passed by the following vote:

<table>
<thead>
<tr>
<th>RESULT:</th>
<th>ADOPTED AS AMENDED [UNANIMOUS]</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOVER:</td>
<td>Gregory Young, Director</td>
</tr>
<tr>
<td>SECONDER:</td>
<td>Michael Taylor, Director</td>
</tr>
<tr>
<td>AYES:</td>
<td>Channing Hawkins, Michael Taylor, Kyle Crowther, Clifford Young, Gregory Young</td>
</tr>
</tbody>
</table>

3. RECEIVE AND FILE MONTHLY FINANCIAL REPORT AS OF NOVEMBER 2019

4. DECEMBER 2019 PURCHASE ORDER REPORT

5. RECEIVE AND FILE NOVEMBER 2019 CASH DISBURSEMENTS REPORT

6. TREASURER REPORT SEPTEMBER 2019

WVWD

Minutes: 1/16/20
BUSINESS MATTERS

7. APPROVAL OF PAYMENT TO THE KAUFMAN LAW FIRM FOR PROFESSIONAL SERVICES RENDERED IN OCTOBER 2018, INVOICE NO. 10130: $24,430.00 AND JANUARY 2018, INVOICE NO. 10140: $69,120.75

President Hawkins began discussion by reminding the Board that there was a request at the last meeting to have Mr. Kaufman attend this meeting to explain why these invoices were just now being submitted for work done in 2018. President Hawkins informed the Board that Mr. Kaufman prepared a response. The Board Secretary then read the following letter:

RE: West Valley Water District Investigation re: Clifford Young

Dear Mr. Tafoya:

As you know, I represent attorney Martin J. Kaufman, Esq. and the Kaufman Law Firm. I am writing this letter in response to Greg Young’s request of client, Mr. Kaufman, to personally attend the District’s next Board of Directors meeting and address the timing of his law firm’s bills.

It is my understanding that during the December 19, 2019 meeting of the District’s Board of Directors (“BOD”), the Kaufman Law Firm’s (“TKLF”) billings (as reflected in invoices 10130 and 10140) were on calendar to be approved. However, Director Greg Young apparently took steps to remove these billings from the agenda (apparently before the meeting even started) and made a formal “motion” which Director and Qui Tam Plaintiff, Clifford Young, apparently seconded. For whatever reason, Director Young then requested that my Client personally attend the next BOD meeting and address the timing of his firm’s bills.

I find the actions of Director Greg Young to be highly suspicious given that he is a perceptive witness to my Client’s recent investigation of his admitted confederate, Director and Qui Tam Plaintiff Clifford Young, and conspicuously the only individual who has offered multiple declarations in support of the meritless qui tam lawsuit, which Mr. Kaufman and his firm were needlessly drawn into. To add to the suspect nature of this “inquiry,” I note that Clifford Young is the target of this investigation and the subject of my Client’s billings. To say that these Directors are conflicted is an obvious understatement.

Equally suspect is the fact that this “Young and Young driven inquiry” has nothing to do with the substance of my Client’s billing, but, rather the timing of the 2nd (and final bill submitted in October 2019). If nothing else, it certain begs the question, given that my Clients had in fact, performed and completed this voluminous piece of work, and were under no legal or contractual obligation to submit these bills at some earlier point in time, “what exactly are they driving at”?

As you know, during the TKLF investigation, and before it rendered conclusions, Mr. Kaufman and TKLF were maliciously drawn into this frivolous lawsuit, for nothing more than exercising their First Amendment Rights (as well as the District’s First Amendment rights), and were consequently required to incur great expense to defend themselves from spurious allegations by the very BOD members who now conspicuously question the timing of these bills. Significantly, while I now stand in a position where both they and I know,

WVWD

Minutes: 1/16/20
there is not one scintilla of evidence to justify any of these factually and legally frivolous claims against Mr. Kaufman and or his firm, my Clients have been and continue to be irreparably harmed by their malicious conduct.

Given what I now know about Directors Young and Young, it is reasonable to believe that their actions are simply a veiled attempt to harm my Clients, which will not be tolerated. Therefore, unless and until the “Youngs” provide me with a reasonable explanation for their purported “concerns,” I am neither inclined to permit Mr. Kaufman to explain the timing of his law firm’s bills, which reflect a substantial amount of work that benefitted the District; nor is Mr. Kaufman legally obligated to do so.

To be clear, if these Directors unwisely choose to use this as some poor excuse not to pay these bills for the work that my Clients’ legitimately and competently performed, they do so at their own risk. I am supremely confident that any trier of fact will look my Client’s work and easily substantiate their billings. Moreover, given the BOD made no request of TKLF to submit same prior to submission, I am equally confident that no trier of fact will determine that TKLF acted in any dilatory manner.

In closing, if the BOD believes that TKLF’s billings is somehow overstated, incorrect and/or illegal, it is the BOD’s obligation to inform me of such in writing and in great detail. Absent such a showing, I will assume, as the law provides, that the District has no real issue with these bills and will therefore expect prompt payment in full.

Should you have any questions, please contact me at my office at your earliest convenience.

Very truly yours,

H. Jason Cohen, Esq.

HJC Law Group, APC

Following the reading of Mr. Kaufman’s response, President Hawkins suggested tabling this item and discussion ensued. Director Dr. Taylor then motioned to approve the invoices for payment, seconded by Vice President Crowther. Director Greg Young then responded to the letter by clarifying that he did not question if the work was done but rather why the billing was received several months following the date of the invoice. He reiterated that he was only seeking clarification on the billing and had a right to do so. Director Dr. Young requested to have this item tabled however there was already a motion and second made for this item. A vote was then taken and the motion failed to pass.

RESULT: DEFEATED [2 TO 2]
MOVER: Michael Taylor, Director
SECONDER: Kyle Crowther, Vice President
AYES: Michael Taylor, Kyle Crowther
NAYS: Clifford Young, Gregory Young
ABSTAIN: Channing Hawkins

WVWD
Minutes: 1/16/20

President Hawkins began discussion by inquiring with Legal Counsel the nature of the invoices presented. Mr. Tafoya confirmed that the invoices presented are for the Qui Tam litigation. President Hawkins then requested to have the attorneys from Leal Trejo attend the next Closed Session to give an update on the status of the litigation. Mr. Tafoya agreed to request their attendance at the next meeting. Director Dr. Taylor then mentioned that some of the Board members would not be able to participate in the discussion due to legal conflicts and some of the questions they have would not be able to be answered. Mr. Tafoya informed President Hawkins that as a named party in the litigation, he could not advise him on how to proceed following this statement. Director Dr. Taylor then motioned to table this item to the next Board of Directors meeting or the Special Board of Directors meeting on January 25, 2020. Vice President Kyle Crowther seconded the motion. The vote was then taken with Director Dr. Young abstaining. Following this motion there was a brief debate amongst the Directors and Legal Counsel regarding who could participate in the discussion that just occurred. President Hawkins noted the comments made and reiterated that this item would still move forward to the next meeting.

RESULT: TABLED [4 TO 0] Next: 2/6/2020 6:00 PM
MOVER: Michael Taylor, Director
SECONDER: Kyle Crowther, Vice President
AYES: Channing Hawkins, Michael Taylor, Kyle Crowther, Gregory Young
ABSTAIN: Clifford Young

9. CIP BUDGET AMENDMENT TO FACILITATE ADDITIONAL MAXIMO USER LICENSING AND HOSTING SERVICES WITH POLARIS SOLUTIONS

During the Adoption of the agenda President Channing Hawkins motioned to table Items No. 9 and 11 to the January 16, 2020 meeting, and to table and give direction to General Counsel for Item No. 10. The direction for General Counsel was to review and advise the Board on Item No. 10 in preparation for the February 6, 2020 meeting. Director Dr. Taylor seconded the motion and the following vote was taken:

RESULT: TABLED [UNANIMOUS] Next: 2/6/2020 6:00 PM
MOVER: Channing Hawkins, President
SECONDER: Michael Taylor, Director
AYES: Channing Hawkins, Michael Taylor, Kyle Crowther, Clifford Young, Gregory Young

WVWD
Minutes: 1/16/20
10. CIP BUDGET AND CONTRACT AMENDMENTS TO IMPLEMENT A COMPUTERIZED MAINTENANCE MANAGEMENT SYSTEM (CMMS) UTILIZING MAXIMO SOFTWARE

During the Adoption of the agenda President Channing Hawkins motioned to table Items No. 9 and 11 to the January 16, 2020 meeting, and to table and give direction to General Counsel for Item No. 10. The direction for General Counsel was to review and advise the Board on Item No. 10 in preparation for the February 6, 2020 meeting. Director Dr. Taylor seconded the motion and the following vote was taken:

RESULT: TABLED [UNANIMOUS] Next: 2/6/2020 6:00 PM
MOVER: Channing Hawkins, President
SECONDER: Michael Taylor, Director
AYES: Channing Hawkins, Michael Taylor, Kyle Crowther, Clifford Young, Gregory Young

11. AGREEMENT FOR AS-NEEDED, ON-CALL TECHNICAL SERVICES WITH CAROLLO ENGINEERS, INC. FOR FIXED BED (FXB) & FLUIDIZED BED (FBR) BIOTREATMENT SYSTEMS AND WATER RESOURCES SUPPORT

During the Adoption of the agenda President Channing Hawkins motioned to table Items No. 9 and 11 to the January 16, 2020 meeting, and to table and give direction to General Counsel for Item No. 10. The direction for General Counsel was to review and advise the Board on Item No. 10 in preparation for the February 6, 2020 meeting. Director Dr. Taylor seconded the motion and the following vote was taken:

RESULT: TABLED [UNANIMOUS] Next: 2/6/2020 6:00 PM
MOVER: Channing Hawkins, President
SECONDER: Michael Taylor, Director
AYES: Channing Hawkins, Michael Taylor, Kyle Crowther, Clifford Young, Gregory Young

12. AGREEMENT WITH MUNITEMPS FOR THE INTERIM POSITION OF HUMAN RESOURCES & RISK MANAGER

Discussion began by President Hawkins. He informed the public that this item was brought to the Board via an emergency action. He briefly explained that the district currently does not have a full time acting Human Resources/Risk Manager. The requirement for the candidate included the stipulation that the candidate not be affiliation with any Board members, an advanced education in Human Resources, obtain verified certification in the public sector, as well as experience in the public sector, and ability to comply with new laws. MuniTemps was the selected firm and presented a six-month contract which stipulates the chosen candidate cannot be relieved of anything less than cause, and will report directly to the Executive Committee which consist of President Channing Hawkins and Vice President Kyle Crowther. Director Dr. Young motioned to approve the contract on an emergency basis for six months following President Hawkins comments. Director Dr. Taylor seconded the motion. Director Greg Young then thanked President Hawkins for his clarification on the item. President Hawkins acknowledged that this item was brought forward collectively from the Board of Directors and not by one single individual. Mr. Tafoya then made a point of clarification that the contract in the packet had been modified and the contract President Hawkins identified in his comments had three

WVWD

Minutes: 1/16/20
changes from the original contract. The changes are: 1) termination for cause as opposed to being “at will” 2) the contract will be for a duration of six months and 3) there is a required 30-day termination notice period. The amended contract is attached as “Exhibit B.” Director Dr. Young accepted the changes Mr. Tafoya identified as an amendment to his motion, and Director Dr. Taylor seconded the motion. The following vote was then taken:

<table>
<thead>
<tr>
<th>RESULT:</th>
<th>ADOPTED AS AMENDED [UNANIMOUS]</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOVER:</td>
<td>Clifford Young, Director</td>
</tr>
<tr>
<td>SECONDER:</td>
<td>Michael Taylor, Director</td>
</tr>
<tr>
<td>AYES:</td>
<td>Channing Hawkins, Michael Taylor, Kyle Crowther, Clifford Young, Gregory Young</td>
</tr>
</tbody>
</table>

13. RESOLUTION 2020-1 APPROVING A TEMPORARY FREEZE ON HIRING DISTRICT PERSONNEL

Director Greg Young began discussion by informing the Board that he carefully considered this item and would be abstaining from the vote. He further explained that he felt the resolution did not go far enough to address the numerous hires and changes made by the General Manager prior to the December 19, 2019 meeting when direction was given to the General Manager to halt all hiring. Following his comments Director Dr. Taylor motioned to adopt the resolution and President Hawkins seconded the motion. Director Dr. Young requested further discussion on Director Greg Young’s abstention and the direction that was given to the General Manager. Discussion then ensued. During the discussion, Director Dr. Young inquired how many employees were hired since the December 19, 2020 meeting when direction was given to the General Manager to halt all hiring. Mr. Mansell informed the Board that there were no new hires however, three new employees had accepted employment offer letters prior to December 19, 2019 and were currently onboarding. President Hawkins responded to Director Greg Young’s comment by saying he felt the resolution was an important first step to help the district function regularly. The following vote was then recorded:

<table>
<thead>
<tr>
<th>RESULT:</th>
<th>ADOPTED [4 TO 0]</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOVER:</td>
<td>Michael Taylor, Director</td>
</tr>
<tr>
<td>SECONDER:</td>
<td>Channing Hawkins, President</td>
</tr>
<tr>
<td>AYES:</td>
<td>Channing Hawkins, Michael Taylor, Kyle Crowther, Clifford Young</td>
</tr>
<tr>
<td>ABSTAIN:</td>
<td>Gregory Young</td>
</tr>
</tbody>
</table>

14. AUTHORIZATION TO APPROVE CHANGE ORDER NO. 4 FOR THE CUSTOMER SERVICE FOYER RENOVATION

Director Dr. Young motioned to approve this item, and Director Dr. Taylor seconded. Reisa Gutierrez, Senior Engineer, came forward to address any question the Board had. Director Greg Young inquired why there was a change order after the “Notice of Completion” had been approved at the last meeting. Mrs. Gutierrez informed Director Young that the project is not complete and the Board had approved a “Certificate of Substantial Completion.” She also informed the Board that she would be bringing one more change order to the Board for approval. Director: Greg Young requested for future Notice of Completions, to inform the Board if there will be additional change orders. Following this discussion, President Hawkins

WVWD

Minutes: 1/16/20
inquired when the foyer would be open. Mrs. Gutierrez announced that the foyer would be open
February 7, 2020. The following vote was then recorded:

**RESULT:** APPROVED [UNANIMOUS]
**MOVER:** Clifford Young, Director
**SECONDER:** Michael Taylor, Director
**AYES:** Channing Hawkins, Michael Taylor, Kyle Crowther, Clifford Young, Gregory Young

15. AUTHORIZATION FOR SIGNATORY CHANGES FOR JP MORGAN CHASE, CALTRUST, LOCAL AGENCY INVESTMENT FUND (LAIF) AND US BANK ACCOUNTS

Director Greg Young motioned to approve Item No. 15, seconded by Director Dr. Taylor. There was no discussion on the item and the following vote was recorded:

**RESULT:** ADOPTED [UNANIMOUS]
**MOVER:** Gregory Young, Director
**SECONDER:** Michael Taylor, Director
**AYES:** Channing Hawkins, Michael Taylor, Kyle Crowther, Clifford Young, Gregory Young

16. CONSIDER APPROVAL OF A CEQA NOTICE OF EXEMPTION FOR THE LYTELE DEVELOPMENT COMPANY TO CONSTRUCT STORMWATER AND SURFACE WATER CATCH BASINS FOR WEST VALLEY WATER DISTRICT TO REPLACE EXISTING BASINS UNDER A COMMUNITY FACILITIES DISTRICT AGREEMENT

Director Dr. Young began discussion by inquiring if Lytle Development is building the water infrastructure facilities and if additional facilities would also be built. Mr. Mansell responded that Lytle Development is building the facility and will turn them over to the district to own and operate. He added that the cost of the facilities would not be known until a contract is negotiated. Director Dr. Young asked for clarification on the CEQA approval and if approving the CEQA would approve the project. Mr. Mansell confirmed that the CEQA being presented does not approve the project or any cost. Director Greg Young then made a few comments. He noticed that the current basins can transport flow from Roemer, but the proposed basins appeared to be further away than anticipated. He asked if a line would be built to the proposed basins and that the cost may be more than originally anticipated. Discussion then ensued. Following the discussion, Director Dr. Young requested to have the General Manager deliver a report to the Board on the project to help them better understand the full scope. President Hawkins also commented that as a newer member of the Board he would also like a report on the project to be presented to the Board and directed Mr. Mansell to prepare one. Director Greg Young then motioned to approve the item, seconded by Director Dr. Taylor and the motion passed as follows:

WVWD
Minutes: 1/16/20
RESULT:  APPROVED [UNANIMOUS]
MOVER:  Gregory Young, Director
SECONDER:  Michael Taylor, Director
AYES:  Channing Hawkins, Michael Taylor, Kyle Crowther, Clifford Young, Gregory Young

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

- Board Members
  - **Director Dr. Taylor:** No report.
  - **Vice President Kyle Crowther:** No report.
  - **Director Greg Young:** Made remarks about the upcoming Dr. Martin Luther King, Jr. holiday and commemorated Dr. King’s vision. He also mentioned Reverend Art and Nancy Cash as influential African American leaders who affected his life and encouraged everyone to ponder Dr. King and what he stood up for.
  - **Director Dr. Young:** No report.
  - **President Channing Hawkins:** Wished everyone a great weekend and was pleased to complete the agenda for the night. Mr. Tafoya then informed President Hawkins that the January 25, 2020 meeting is a continued meeting and a Closed Session would need to be noticed on a separate Special Meeting concurrently at the same time. President Hawkins noted Mr. Tafoya’s remarks. President Hawkins then went on to encourage everyone to spend time with their families and reflect on what we can do to make the world a better place in the frame of Dr. King. He also thanked Director Young for his comments on his personal experience.

- Legal Counsel
  - No report.

- General Manager
  - No report.

CLOSED SESSION

Mr. Tafoya reported on Closed Session following the Roll Call of the Board members. He announced that he there was an error in the listing of the Closed Session items and the Maria Guerrero vs. West Valley Water District litigation should have been the Kenny Hernandez litigation. As a result, the Kenny Hernandez case was discussed in lieu of Maria Guerrero’s case. He also announced that no final action was taken during Closed Session.

- **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)

- **CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION** Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9 Case Name: Maria Guerrero vs. West Valley Water District, San Bernardino County Superior Court Case No. CIV DS 1910687

WVWD

Minutes: 1/16/20
• CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Pursuant to paragraph one (1) of subdivision (d) of Government Code Section 54956.9 Case Name: Karen Logue v. West Valley Water District Case No.: CIVDS1818381

• PUBLIC EMPLOYEE PERFORMANCE EVALUATION Pursuant to Cal. Gov. Code Section 54957 Title: General Manager

• CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9 Case Name: Clifford Young, Patricia Romero, Naisha Davis, West Valley Water District v. Tafoya and Garcia, et al. Case No.: 19STCV05677

• PUBLIC EMPLOYEE PERFORMANCE EVALUATION Pursuant to Cal. Gov. Code Section 54957 Title: General Counsel

ADJOURN

Being no further discussion, the meeting adjourned at 8:55 PM.

Channing Hawkins
President of the Board of Directors of West Valley Water District

ATTEST:

Crystal L. Escalera, Board Secretary

WVWD
Minutes: 1/16/20
Exhibit A
West Valley Water District
Investment Policy Analysis
September 30, 2019

<table>
<thead>
<tr>
<th>U.S. Bank - Chandler Asset Management</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Money Market</td>
<td>43,712.60</td>
<td>A</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>-</td>
<td>A</td>
</tr>
<tr>
<td>Federal Agency Obligations</td>
<td>6,047,744.85</td>
<td>A</td>
</tr>
<tr>
<td>U.S. Government</td>
<td>3,014,767.50</td>
<td>A</td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>3,096,239.29</td>
<td>A</td>
</tr>
<tr>
<td>Supranational</td>
<td>500,565.00</td>
<td>A</td>
</tr>
<tr>
<td>Negotiable CD</td>
<td>-</td>
<td>A</td>
</tr>
<tr>
<td>Total U.S. Bank - Chandler Asset Management Funds</td>
<td>12,709,049.18</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Checking and Savings</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank of Hope</td>
<td></td>
<td>B</td>
</tr>
<tr>
<td>Chase 1515 (Operating Account)</td>
<td>6,031,640.85</td>
<td>B</td>
</tr>
<tr>
<td>Chase 1596</td>
<td>280,183.60</td>
<td>B</td>
</tr>
<tr>
<td>Chase 1597</td>
<td>46,636.00</td>
<td>B</td>
</tr>
<tr>
<td>Chase 3093 (Rebate Account)</td>
<td></td>
<td>B</td>
</tr>
<tr>
<td>Total Checking and Savings</td>
<td>6,359,460.95</td>
<td></td>
</tr>
</tbody>
</table>

| California Short Term Fund          | 15,438,842.40 | A |
| California Medium Term Fund         | 10,550,218.86 | A |
| LAIF                                 | 16,288,186.91 | A |
| District Cash Drawers               | 4,300.00     | C |
| 2016A Bond - Principal & Payment Funds | 286.49 | B |
| 2016A Bond - Internet Fund          | 230.77       | B |
| Total September 30, 2019 District Funds | 61,284,089.56 | |

The balances indicated above are as of September 30, 2019.

Balances verified with monthly investment statements provided by client.
Balances verified with monthly bank statements provided by client.
Balances verified with monthly reconciliations provided by client.

The purpose of this report is to calculate the asset class percentage in comparison with the maximum portfolio percentage allowed by the district’s investment policy.

Based on our review of the asset classes as of 09/30/2019, West Valley Water District is in compliance with its investment policy.
Exhibit B
Municipal Staffing Agreement

GOVERNMENT STAFFING SERVICES, INC., dba MuniTemps, with principal office located at 14241 E. Firestone Blvd, Suite 400, La Mirada, CA 90638. Our corporate correspondence Mailing Address is PO Box 718, Imperial Beach, CA 91933 ("STAFFING FIRM"), and the WEST VALLEY WATER DISTRICT, with its principal municipal office located at 855 W. Base Line Road, Rialto, CA 92376 ("DISTRICT") agree to the terms and conditions set forth in this Municipal Staffing Agreement (the "Agreement").

STAFFING FIRM’s Duties and Responsibilities

1. STAFFING FIRM is an independent contracting firm with its own employees and will:

   a. Recruit, screen, interview, and assign its own employees ("Assigned Employees") to perform the type of work described on Exhibit A under DISTRICT’s supervision at the locations specified on Exhibit A;

   b. Pay Assigned Employees’ wages every two weeks and provide them with the benefits that STAFFING FIRM offers to them;

   c. Pay, withhold, and transmit payroll taxes; provide unemployment insurance and workers’ compensation benefits; and handle unemployment and workers’ compensation claims involving Assigned Employees;

DISTRICT’s Duties and Responsibilities

2. DISTRICT will:

   a. Properly supervise Assigned Employees performing its work and be responsible for its business operations, products, services, and intellectual property;

   b. Properly supervise, control, and safeguard its premises, processes, or systems, and not permit STAFFING FIRM employees to operate any vehicle or mobile equipment (unless authorized under section 2.f. below), or entrust them with unattended premises, cash, checks, keys, credit cards, merchandise, confidential or trade secret information, negotiable instruments, or other valuables without STAFFING FIRM’s express prior written approval or as strictly required by the job description provided to STAFFING FIRM;

   c. Provide Assigned Employees with a safe work site and provide appropriate safety information, training, and safety equipment with respect to any hazardous substances or conditions to which they may be exposed at the work site;

   d. Not change Assigned Employees’ job duties without STAFFING FIRM’s express advance written approval; and
e. Exclude Assigned Employees from DISTRICT’s benefit plans, policies, and practices, and not make any offer or promise relating to Assigned Employees’ compensation or benefits without the advance written approval of STAFFING FIRM.

f. DISTRICT is authorized to direct STAFFING FIRM’s employees to drive DISTRICT vehicles and equipment if DISTRICT assumes liability for STAFFING FIRM’s employees under DISTRICT’s auto insurance policy and names STAFFING FIRM as “additionally insured”.

Payment Terms, Bill Rates, and Delinquent Invoice Charges
3. DISTRICT will direct its Accounts Payable staff to pay STAFFING FIRM invoices every two weeks upon receipt when supported by an approved bi-weekly timesheet or email certification of hours worked, signed by authorized DISTRICT staff, at the hourly bill rates set forth on the Exhibit A attached to this Agreement. STAFFING FIRM shall email invoices to DISTRICT for services provided under this Agreement on a Bi-Weekly basis. DISTRICT shall sign STAFFING FIRM timesheets every other Friday by 6pm, as shown in Exhibit B, to allow STAFFING FIRM employees to be paid timely every two weeks. DISTRICT agrees to pay a LATE FEE of 10% of the invoice due on the 31st day following the date of the invoice.

4. STAFFING FIRM shall email invoices and supporting timesheets directly to the DISTRICT’s Accounts Payable office with a copy sent to other District Departments if so directed by the DISTRICT, however, DISTRICT shall NOT allow Accounts Payable or any District Department to delay payment of STAFFING FIRM invoices when said invoices are supported by a signed bi-weekly timesheet or email certification of hours worked.

5. STAFFING FIRM may assign two classes of Employees to the DISTRICT: (1) Salary, which are employees exempt from overtime pay, and (2) Non-Salary, which must be paid overtime and or double time pay, depending on the work schedule STAFFING FIRM employee is assigned to work at the DISTRICT. The Bi-Weekly invoice for Salary employees is billed at a flat rate as approved in the attached Exhibit "A". The Bi-Weekly invoice for Non-Salary employees is billed at an hourly rate as shown in the attached Exhibit "A". The hourly bill rate for Non-Salary employees will be billed at premium bill rates only if DISTRICT directs STAFFING FIRM employees to work “outside” the work schedule approved in advance by DISTRICT and STAFFING FIRM, which would trigger the overtime or double time hours at the premium bill rates approved by DISTRICT in advance in the attached Exhibit "A".

Confidential Information
6. Both parties may receive information that is proprietary to or confidential to the other party or its affiliated companies and their DISTRICTs. Both parties agree to hold such information in strict confidence and not to disclose such information to third parties or to use such information for any purpose whatsoever other than performing under this Agreement or as required by law. No knowledge, possession, or use of DISTRICT’s confidential information will be imputed to STAFFING FIRM as a result of Assigned Employees’ access to such information.

Cooperation
7. The parties agree to cooperate fully and to provide assistance to the other party in the investigation and resolution of any complaints, claims, actions, or proceedings that may be brought by or on behalf of any of the parties involved.
Indemnification and Limitation of Liability

8. To the extent permitted by law, STAFFING FIRM will defend, indemnify, and hold DISTRICT and its directors, officers, agents, representatives, and employees harmless from all claims, losses, and liabilities (including reasonable attorneys' fees) to the extent caused by STAFFING FIRM's breach of this Agreement; its failure to discharge its duties and responsibilities set forth in paragraph 1; or the negligence, gross negligence, or willful misconduct of STAFFING FIRM or STAFFING FIRM's officers, employees, or authorized agents in the discharge of those duties and responsibilities.

9. To the extent permitted by law, DISTRICT will defend, indemnify, and hold STAFFING FIRM and its parent, subsidiaries, directors, officers, agents, representatives, and employees harmless from all claims, losses, and liabilities (including reasonable attorneys' fees) to the extent caused by DISTRICT's breach of this Agreement; its failure to discharge its duties and responsibilities set forth in paragraph 2; or the negligence, gross negligence, or willful misconduct of DISTRICT or DISTRICT's officers, employees, or authorized agents in the discharge of those duties and responsibilities.

10. Neither party shall be liable for or be required to indemnify the other party for any incidental, consequential, exemplary, special, punitive, or lost profit damages that arise in connection with this Agreement, regardless of the form of action (whether in contract, tort, negligence, strict liability, or otherwise) and regardless of how characterized, even if such party has been advised of the possibility of such damages.

11. As a condition precedent to indemnification, the party seeking indemnification will inform the other party within 15 business days after it receives notice of any claim, loss, liability, or demand for which it seeks indemnification from the other party; and the party seeking indemnification will cooperate in the investigation and defense of any such matter.

12. The provisions in paragraphs 8 through 12 of this Agreement constitute the complete agreement between the parties with respect to indemnification, and each party waives its right to assert any common-law indemnification or contribution claim against the other party.

Miscellaneous

13. Notwithstanding any other provision of this Agreement to the contrary, the provisions of paragraphs 8 - 12 shall remain effective after termination or renewal of this Agreement.

14. No provision of this Agreement may be amended or waived unless agreed to in a writing signed by the parties.

15. Each provision of this Agreement will be considered severable, such that if any one provision or clause conflicts with existing or future applicable law or may not be given full effect because of such law, no other provision that can operate without the conflicting provision or clause will be affected.

16. This Agreement and the exhibits attached to it contain the entire understanding between the parties and supersede all prior agreements and understandings relating to the subject matter of the Agreement.

17. The provisions of this Agreement will inure to the benefit of and be binding on the parties and their respective representatives, successors, and assigns.
18. The failure of a party to enforce the provisions of this Agreement will not be a waiver of any provision or the right of such party thereafter to enforce each and every provision of this Agreement.

19. DISTRICT will not transfer or assign this Agreement without STAFFING FIRM's written consent.

20. Any notice or other communication will be deemed to be properly given only when sent via the United States Postal Service or a nationally recognized courier, addressed as shown on the first page of this Agreement.

21. Neither party will be responsible for failure or delay in performance of this Agreement if the failure or delay is due to labor disputes, strikes, fire, riot, war, terrorism, acts of God, or any other causes beyond the control of the nonperforming party.

22. The provisions of this agreement shall be entered into according to the laws of the State of California.

Term of Agreement

23. This Agreement shall remain valid until terminated by either party upon 30 days written notice. The Exhibit “A” can be terminated upon 30 days written notice.

Authorized representatives of the parties have executed this Agreement below to express the parties’ agreement to its terms.

WEST VALLEY WATER DISTRICT

Signature

Printed Name

Title

Date

GOVERNMENT STAFFING SERVICES, INC.

Signature

Printed Name

Title

Date

John Herrera, CPA

President / CEO

01/16/2020
<table>
<thead>
<tr>
<th>Municipality:</th>
<th>West Valley Water District</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client Contact:</td>
<td>Robert Tafoya</td>
</tr>
<tr>
<td>Interim Position:</td>
<td>HR &amp; Risk Manager</td>
</tr>
<tr>
<td>Class of Assignment:</td>
<td>Non-Salary (Hourly)</td>
</tr>
<tr>
<td>Bill Rate per Hour:</td>
<td>$125</td>
</tr>
<tr>
<td>Hours per Week:</td>
<td>40</td>
</tr>
<tr>
<td>Work Schedule:</td>
<td>Regular Schedule</td>
</tr>
<tr>
<td>Start Date:</td>
<td>1/16/2020</td>
</tr>
<tr>
<td>Expected Duration:</td>
<td>6 Months</td>
</tr>
</tbody>
</table>

**Notes**

District Counsel

Martin Pinon

Non-Salary (Hourly) Assignments May Be Subject To Overtime Bill Rates as explained below.

Monday through Friday, 8:00AM to 5:30PM

Termination Only "For Cause" with 30 Day Notice

**PROPER SUPERVISION**

District will properly supervise MuniTemps employee(s) performing its work and be responsible for its business operations, services, and intellectual property. District will also properly supervise, control, and safeguard its premises, processes, or systems, and not permit MuniTemps employees to operate any vehicle or mobile equipment unless approved by MuniTemps in writing.

**JOB DESCRIPTION**

Responsible for managing all phases of the personnel and risk management programs, including recruitment and selection, position classification, compensation, employee and labor relations, employee development, employee benefits, workers' compensation and liability. Directs the work of professionals, administrative and support staff and exercises considerable independent judgment and discretion in the performance of duties.

**OVERTIME / DOUBLETIME BILL RATES**

Unless approved in advance in writing, District will NOT allow MuniTemps employee to work hours outside the above stated work schedule as this will trigger overtime or doubletime bill rates. The hourly bill rate will be billed at 150% for any overtime hours and 200% for doubletime hours worked by MuniTemps employees. District agrees to pay for any overtime or doubletime hours as requested and pre-approved by the District and verified on the signed timesheets.

**DIRECT HIRE / CONVERSION FEE OF MUNITEMPS ASSOCIATES**

District may hire MuniTemps associate (Martin Pinon) "directly" as Employee or as Independent contractor, or "indirectly" through a third party upon paying a direct hire / conversion as follows:

1. If MuniTemps associate has worked a "minimum of" 880 hours on this assignment at District (per this Exhibit A), District shall pay a direct hire / conversion fee equal to 8% of the annualized hourly pay rate (pay rate x 8,080) offered by District to MuniTemps associate.

2. If MuniTemps associate has worked "less than" 880 hours on this assignment at District (per this Exhibit A), District shall pay a direct hire / conversion fee equal to 10% of the annualized hourly pay rate (pay rate x 9,240) offered by District to MuniTemps associate.

**INVOICING & TIMESHEET APPROVER**: District shall fill out the information below for District representative who will sign the bi-weekly timesheet.

**Note**: A/P is primary contact to receive vendor invoices to pay MuniTemps invoices when accompanied by signed timesheet.

**Authorized Signature**: ____________________________  **District Representative** ____________________________  **Date** ____________________________

Municipal Staffing Agreement  West Valley Water District - Exhibit A (HR Manager) Martin Pinon v2  

1/16/2020  2:38 PM