



**BOARD OF COMMISSIONERS  
MEETING AGENDA  
REVISED**

Walnut Valley Water District  
271 S. Brea Canyon Road  
Walnut, CA 91789

**Thursday, August 8, 2019  
To begin at 7:00 A.M.**

Each item on the agenda shall be deemed to include any appropriate motion, resolution, or ordinance, to take action on any item.

Materials related to an item on this agenda submitted after distribution of the agenda packet are available for public review during regular business hours at the Walnut Valley Water District office, located at 271 S. Brea Canyon Road, Walnut, California.

- I. Welcome and Introductions Chairman Lee
- II. Flag Salute
- III. Roll Call 

Commissioner Lewis	_____	Commissioner Ebenkamp	_____
Commissioner Lima	_____	Commissioner Lee	_____
- IV. Public Comment  
The Chair may impose reasonable limitations on public comments to assure an orderly and timely meeting.
- V. Review of Audit Communications Letter (attachment and telephone call) Mr. Teuber
  - a. Discussion
  - b. Action Taken
- VI. Approval of Minutes for June 6, 2019 (attachment) Chairman Lee
  - a. Discussion
  - b. Action Taken
- VII. Regional Water Supply Reliability Program Updates/Status: Mr. Coleman/  
Mr. Hitchman
  - (1) California Domestic Water Company
  - (2) Pathfinder Road 20-inch Water Main Installation (attachment)  
Consider Acceptance of Work and Notice of Completion for the  
20-inch Water Transmission Main Installation (P.N. PB17-0004)
    - a. Discussion
    - b. Action Taken
  - (3) Pomona Basin Regional Groundwater Project
    - a. Six Basins Groundwater Project Update
    - b. Update: Proposition 84

- (4) Central Basin Well
  - a. Central Basin Well Site Evaluation
    - i. Discussion
    - ii. Action Taken

(5) Proposition 1 Integrated Regional Water Management Grant

- VIII. Commission Follow-Up (attachment) Mr. Hitchman
  - a. Discussion
  - b. Action Taken

- IX. Commissioner Comments
  - a. Discussion
  - b. Action Taken

- X. Items for Future Discussion/Review  
Chairman Lee
  - a. Discussion
  - b. Action Taken

- XI. Attorney's Report
  - a. Legal Counsel will report on matters of interest or having an effect on the Agency

- XII. Public Comment on Closed Session Chairman Lee

XIII. Closed Session

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR [§54956.8]

Property: Acquisition and/or Lease  
Negotiators: Tom Coleman, Erik Hitchman  
Negotiating Parties: Various Property Owners  
Under Negotiations: Price and Payment Term

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR [§54956.8]

Property: Acquisition and/or Lease of Central Basin Water Rights  
Negotiators: Tom Coleman, Erik Hitchman  
Negotiating Parties: Various Water Rights Holders  
Under Negotiations: Price and Payment Term

(3) CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION [§54956.9(d)(4)]

Initiation of Litigation – One Potential Case

- XIV. Reconvene in Open Session  
Report of action, if any, taken in Closed Session

- *Next Commission Meeting: Thursday, October 3, 2019, 7:00 a.m., at Rowland Water District*

Adjournment

July 31, 2019

Board of Commissioners  
Puente Basin Water Agency  
Walnut, California

We are in the process of performing the audit of the Puente Basin Water Agency for the year ending June 30, 2019. Professional Auditing standards recommend that, as a part of our audit, we inquire with those whose duties include oversight of the financial reporting process (review and acceptance of audit reports, etc.) to ascertain whether or not anyone on the Board of Commissioners has knowledge of matters that might have a bearing on the auditor's risk assessment for the Agency's annual audit.

Example of these matters are:

- Known or suspected instances of employee fraud
- Areas in which the internal controls of the Agency are thought by the Board to be weak
- Known or suspected misstatements in the accounting records of the Agency
- Known or suspected use of improper accounting practices by the Agency
- Any awareness of pressure upon the Agency or Agency's management with respect to achieving certain financial results
- Matters that warrant particular attention during the audit
- Information about unusual transactions or other matters relevant to the audit

Generally, the scope of the audit is limited to matters involving amounts that would be significant to the financial statements of the Agency taken as a whole. If additional time is required to respond to the concerns of the Board, we will estimate for the Agency the costs involved.

Please respond within 45 days from the date of this letter if the Board has any matters to report that meet the above criteria.

Auditing Standards require the auditors to communicate the planned scope and timing of the audit. Additionally, at the conclusion of the audit, we plan to communicate the auditor's responsibilities under generally accepted auditing standards and significant findings from the audit.

### Timing of Audit

We plan to begin the final audit examination of the Agency on August 26, 2019. We plan to have the audit complete and finalize the financial statements by November 2019. We will present the results of the audit to you at the completion of our engagement.

### Planned Scope of Audit

In addition to our standard audit approach, we have identified significant audit risk areas for the Agency and plan to modify our audit approach as follows:

- Risk of errors in recording transactions with Walnut Valley Water District and Rowland Water District: We will review agreements between Walnut Valley Water District, Rowland Water District, and Puente Basin Water Agency. We will evaluate how significant transactions are recorded in each entity and ensure the transactions and required footnote disclosures are properly reported.
- Risk of errors associated with recording capital asset additions: As a result of the significance of capital projects and adjustments detected in the prior year, we plan to test the most significant capital projects to ensure asset additions are properly recorded and removed from construction in progress when completed. We also plan to test current year depreciation calculations.
- Each year we are required to incorporate an element of unpredictability into our audit approach. This year, we plan to extend our testing of journal entries and review the entries for proper calculations and reasonableness.

If any member of the Board has information relevant to our audit (matters involving amounts that would be significant to the financial statements of the Agency taken as a whole), please contact the undersigned at (949) 783-1740 or [JFarr@davisfarr.com](mailto:JFarr@davisfarr.com).

Very truly yours,



Jennifer Farr  
Davis Farr LLP

**MINUTES OF MEETING  
OF THE BOARD OF COMMISSIONERS OF  
PUENTE BASIN WATER AGENCY**

**June 6, 2019  
At the Offices of the  
Rowland Water District**

**COMMISSIONERS PRESENT:**

Theodore L. Ebenkamp, Commissioner  
Theresa Lee, Commissioner  
Anthony Lima, Commissioner  
Robert Lewis, Commissioner

**STAFF PRESENT:**

Erik Hitchman, Administrative Officer  
Jim Ciampa, Legal Counsel  
Brian Teuber, Treasurer  
Sean Henry, Assistant Treasurer  
Carmen Fleming, Secretary

**COMMISSIONERS ABSENT:**

None

Staff, guests and others in attendance: Ms. Denise Jackman, Director at Three Valleys Municipal Water District; Mr. Tom Coleman, Rowland Water District; Mr. Josh Byerrum, and Ms. Sherry Shaw, Walnut Valley Water District.

The meeting was called to order at 7:00 a.m. with Chair Lee presiding.

**Item IV: Public Comment**

None.

**Item V: Approval of Minutes for April 4, 2019**

*Upon consideration thereof, it was moved by Commissioner Ebenkamp, seconded by Commissioner Lewis and unanimously carried (4-0) to approve the minutes of the Commission meeting held on April 4, 2019.*

Chair Lee indicated that the motion was approved by a 4-0 vote

**Item VI: Review of Financial Statements: Third Quarter FY 18-19**

- ◆ Mr. Byerrum reviewed the Third Quarter Fiscal Year 2018-19 financials.

*Upon consideration thereof, it was moved by Commissioner Lima seconded by Commissioner Ebenkamp, and unanimously carried (4-0), to approve, receive and file the financials for the Third Quarter Fiscal Year 2018-19 with the change of quarter end date March 31, 2019, for fiscal year 2018-19.*

Chair Lee indicated that the motion was approved by a 4-0 vote

**Item VII: Puente Narrows Underflow - Fiscal Year 2018-19**

- ◆ Mr. Hitchman reported on the letter that was received from the Puente Narrows Watermaster to the Main San Gabriel Basin Watermaster regarding the annual measurement of the Puente Narrows subsurface flow.

*Upon consideration thereof, it was moved by Commissioner Ebenkamp seconded by Commissioner Lee, and unanimously carried (4-0), to approve, receive and file the Puente Narrows Underflow-Fiscal Year 2018-19.*

Chair Lee indicated that the motion was approved by a 4-0 vote

### **Item VIII: PBWA Legislative Activities**

#### **(1) *Engagement of Lobbyist:***

- a. Mr. Hitchman stated that the Lobbying Firm Retention Contract and Cost Sharing Agreement with Reeb Government Relations, LLC, have been executed. The joint effort contract included the participation of Walnut Valley Water District, Rowland Water District, Valley County Water District, and Palmdale Water District. Staff noted that as other entities join, the agreement will be amended.

### **Item IX: Regional Water Supply Reliability Program Updates/Status:**

#### **(1) *California Domestic Water Company:***

- a. *Project Update:* Mr. Coleman reported that the Cal Domestic project continues to run a single pump and will possibly continue in that manner through the remaining summer months.

#### **(2) *Pathfinder Road 20-inch Water Main Installation:***

- a. *Project Update:* Ms. Shaw reported that there was approximately 120 feet of pipe to install, and various other items to complete as the contractor continues to complete the project.

#### **(3) *Pomona Basin Regional Groundwater Project***

- a. *Six Basins Groundwater Project Update:* Ms. Shaw reported that staff is working with the contractor to continue the work on the project.
- b. *Update: Proposition 84:* Mr. Hitchman stated that the Agency has proceeded with construction activity reimbursements.

#### **(4) *Central Basin Well***

- a. *Central Basin Well Site Evaluation:* Mr. Coleman stated that staff is continuing to work on the project. A meeting is being scheduled with WRD's Hydrogeologist to review findings and any known concerns regarding the well site.

#### **(5) *Proposition 1 Integrated Regional Water Management Grant***

- a. *LA Solutions for Engineering Solutions, LLC (LASER): Fourth Amendment to Professional Services Agreement for Strategic Consulting Services:* Mr. Hitchman requested that the Commissioners authorize the Administrative Officer to execute a Fourth Amendment to the Professional Services Agreement for strategic consulting services for LA Solutions for Engineering Resources (LASER), LLC, with an increase of funding in the amount of \$40,000, extending the contract to June 30, 2020. Legal counsel was requested to prepare the Third Amendment.

***Upon consideration thereof, it was moved by Commissioner Lewis seconded by Commissioner Lima, and unanimously carried (4-0), to authorize the Administrative Officer to execute a Third Amendment to the Professional Services Agreement for strategic consulting services for LA Solutions for Engineering Resources (LASER), LLC, to be prepared by Legal counsel to cover an increase of funding of \$40,000 and an extension of the agreement's term to June 30, 2020.***

**Chair Lee indicated that the motion was approved by a 4-0 vote**

### **Item XI: Commission Follow-Up**

None.

### **Item XII: Commissioner Comments**

None.

### **Item XIII: Items for Future Discussion/Review**

None.

### **Item XIV: Attorney's Report**

- ◆ Mr. Ciampa briefed the Commission on significant legislative developments regarding safe drinking water funding issues and briefly reported on the Inverse Condemnation Coalition.

**Item XIV: Public Comment on Closed Session**

There were no requests to comment on closed session.

**Item XV: Closed Session at 8:01 a.m.**

(1) The Commission met in closed session in accordance with Government Code [§54956.8] to discuss one real property matter pertaining to the acquisition and/or lease of Central Basin water rights. The negotiators are Mr. Tom Coleman and Mr. Erik Hitchman. The negotiating parties are various water rights holders. Under negotiations are the price and terms of payment.

- No discussion on this item.

(2) The Commission met in closed session in accordance with Government Code [§54956.8] to discuss one real property matter. The negotiators are Mr. Tom Coleman and Mr. Erik Hitchman. The negotiating parties are various property owners. Under negotiations are the price and terms of payment.

- The Commission heard reports that 300af of the Agency's water rights held in the Central Basin will not be leased in 2018-2019 fiscal year.

(3) The Commission met in closed session in accordance with Government Code 54956.9(d)(4) regarding anticipated litigation concerning one case.

- The Commission was briefed on the facts and circumstances of the potential case and no reportable action under the Brown Act was taken.

**Item XVI: Reconvene in Open Session at 8:10 a.m.** – see above for the closed session report concerning Items 1-3.

**Adjournment – 8:11 a.m.**

*There being no further business to discuss, upon consideration thereof, it was moved by Commissioner Ebenkamp, seconded by Commissioner Lima and unanimously carried (4-0), to adjourn the Commission meeting.*

Chair Lee indicated that the motion was approved by a 4-0 vote



August 8, 2019

TO: Board of Commissioners  
FROM: Erik Hitchman  
RE: Consider Acceptance of Work and Notice of Completion for the  
20-inch Water Transmission Main Installation (P.N. PB17-0004)

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### **Recommendation**

Request the Commission:

1. Accept the work as installed for the project listed below.
2. Authorize the filing of Notice of Completion for the project listed below.

<b><u>Project No.</u></b>	<b><u>Description</u></b>	<b><u>Contractor</u></b>
PB17-0004	20-inch Water Transmission Main Installation	Doty Bros. Construction Co.

### **Background**

The contractors have substantially completed work on the above project and all work has been performed in accordance with the contract documents.





August 8, 2019

TO: Board of Commissioners  
 FROM: Erik Hitchman, Administrative Officer  
 RE: Commission Follow-Up

**Recommendation**

For information only.

**Background**

Following is an update regarding matters that have recently come before the Commission.

Item	Meeting Date	Commission Activity	Completed	Follow-Up
Proposed Annual PBWA Budget for FY 2019-20	4/4/19	Approve the PBWA Operating Budget for Fiscal Year 2019-20	4/16/19: Ratified by Walnut Valley Water District's Board of Directors  6/11/19: Ratified by the Rowland Water District's Board of Directors	
LA Solutions for Engineering Solutions, LLC (LASER): Fourth Addendum to Professional Services Agreement for Strategic Consulting Services	6/6/19	Approved agreement	5/1/19: Received fully executed agreement from LA Solutions for Engineering, LLC (LASER)	