



**BOARD OF COMMISSIONERS  
MEETING AGENDA**

**Thursday, August 6, 2020  
To begin at 7:00 A.M.**

Pursuant to the provisions of Executive Order N-25-20 Issued by Governor Gavin Newsom on March 12, 2020, any Commissioner and any member of the public who desires to participate in the open session items of this meeting, may do so by accessing the Webex link below without otherwise complying with the Brown Act's teleconference requirements:

[https://wwvd.webex.com/join/board\\_room](https://wwvd.webex.com/join/board_room)  
(Computer and Telephone Audio Accessible)

Any member of the public wishing to make any comments to the Commission may do so by accessing the above-referenced link where they may select the option to join via webcam or teleconference. The meeting Chair will acknowledge such individual(s) at the appropriate time in the meeting prior to making his or her comment. Members of the public will be disconnected from the meeting prior to the Closed Session.

***NOTE: To comply with the Americans with Disabilities Act, if you need special assistance to participate in any Commission meeting, please contact the Administrative Officer's office at least 4 hours prior to a Commission meeting to inform the Agency of your needs and to determine if accommodation is feasible.***

***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 at <https://puentebasin.com/board-packets/>.**

- I. Welcome and Introductions Chairman Lewis
- II. Flag Salute
- III. Roll Call    Commissioner Lewis \_\_\_\_\_    Commissioner Lee \_\_\_\_\_  
                         Commissioner Lima \_\_\_\_\_    Alternate Commissioner Kwong \_\_\_\_\_
- IV. Public Comment  
The Chair may impose reasonable limitations on public comments to assure an orderly and timely meeting.
- V. [Audit Communication \(attachment\)](#) Mr. Teuber
  - a. Discussion
  - b. Action Taken
- VI. [Approval of Minutes for June 4, 2020 \(attachment\)](#) Chairman Lewis
  - a. Discussion
  - b. Action Taken
- VII. [Commission Staff Amendment \(attachment\)](#) Mr. Hitchman
  - a. Discussion
  - b. Action Taken

- VIII. [Biennial Review of Conflict of Interest Code \(attachment\)](#) Mr. Hitchman
  - a. Discussion
  - b. Action Taken
  
- IX. Regional Water Supply Reliability Program Updates/Status: Mr. Coleman/  
Mr. Hitchman
  - (1) California Domestic Water Company
  - (2) Pathfinder Road – Colima Interties
  - (3) Pomona Basin Regional Groundwater Project
    - a. Six Basins Groundwater Project Update
    - b. Proposition 84
  - (4) Central Basin Well
    - a. Central Basin Well Site Evaluation
  - (5) Proposition 1 Integrated Regional Water Management Grant
  
- X. [Commission Follow-Up \(attachment\)](#) Mr. Hitchman
  - a. Discussion
  - b. Action Taken
  
- XI. Commissioner Comments
  - a. Discussion
  - b. Action Taken
  
- XII. Items for Future Discussion/Review Chairman Lewis
  - a. Discussion
  - b. Action Taken
  
- XIII. Attorney’s Report
  - a. Legal Counsel will report on matters of interest or having an effect on the Agency
  
- XIV. Public Comment on Closed Session Chairman Lewis
  
- XV. 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
  
- XVI. Reconvene in Open Session  
Report of action, if any, taken in Closed Session

Adjournment

*Next Commission Meeting: Thursday, October 1, 2020, 7:00 a.m.*



Charles Z. Fedak, CPA, MBA  
Christopher J. Brown, CPA, CGMA  
Andy Beck, CPA

# Fedak & Brown LLP

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August 6, 2020

Board of Commissioners  
Puente Basin Water Agency  
Walnut, California

## **Dear Commissioners of the Board:**

We are in the process of performing the audit of the Puente Basin Water Agency for the year ending June 30, 2020. Professional Auditing standards recommend that, as a part of our audit, we inquire with those whose duties include oversight of the financial reporting process 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 31, 2020. We plan to have the audit complete and finalize the financial statements by November 2020. 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 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 increase our scope to assess a closer understanding of the Statement of Net Position due to this being our first-year audit of the Agency.

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 (657) 214-2307 or [Jeff@fedakbrownllp.com](mailto:Jeff@fedakbrownllp.com).

Very truly yours,



Jeff Palmer  
**Fedak & Brown LLP**  
Cypress, California

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

**June 4, 2020**

**Rowland Water District hosted the Zoom Teleconference Meeting**

**COMMISSIONERS PRESENT:**

Theresa Lee, Commissioner  
Anthony Lima, Commissioner  
Robert Lewis, Commissioner

**STAFF PRESENT:**

Erik Hitchman, Administrative Officer  
Tom Coleman, Assistant Administrative Officer  
Brian Teuber, Treasurer  
Josh Byerrum, Assistant Treasurer  
Jim Ciampa, Legal Counsel  
Carmen Fleming, Secretary

**COMMISSIONERS ABSENT:**

Theodore L. Ebenkamp, Commissioner

Staff, guests and others in attendance: Ms. Denise Jackman, Director at Three Valleys Municipal Water District; Mr. Dave Warren and Ms. Rose Perea, Rowland Water District; and Ms. Sherry Shaw, Walnut Valley Water District.

The Zoom teleconference meeting was called to order at 7:11 a.m. with Chair Lewis presiding.

**Item IV: Public Comment**

None.

**Item V: Approval of Minutes for April 2, 2020**

*Upon consideration thereof, it was moved by Commissioner Lima, seconded by Commissioner Lee and carried (3-0-1) to approve the minutes of the Commission meeting held April 2, 2020. A roll call vote was then taken:*

**Yes: Lee, Lewis, Lima**

**Noes: None**

**Absent: Ebenkamp**

**Motion Passed (3-0-1)**

**Chair Lewis indicated that the motion was approved by a 3-0-1 roll call vote**

**Item VI: Review of Financial Statements: Third Quarter FY 19-20**

◆ Mr. Byerrum reviewed the Third Quarter FY 19-20 financials.

*Upon consideration thereof, it was moved by Commissioner Lee, seconded by Commissioner Lima, and carried (3-0-1), to approve, receive and file the financials for the Third Quarter Fiscal Year 2019-20. A roll call vote was then taken:*

**Yes: Lee, Lewis, Lima**

**Noes: None**

**Absent: Ebenkamp**

**Motion Passed (3-0-1)**

**Chair Lewis indicated that the motion was approved by a 3-0-1 roll call vote**

**Item VII: Puente Narrows Underflow-Fiscal Year 2019-20**

◆ 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 for the Fiscal Year 2019-20.

**Item VIII: Regional Water Supply Reliability Program Updates/Status:**

(1) *California Domestic Water Company*: Mr. Coleman reported that the Cal Domestic connection and line is offline and will likely continue to be unavailable through October.

(2) *Pathfinder Road-Colima Interties*:

- a. *Consider Award of Contracts for Colima Interties at Banida Avenue, Hallgreen Drive, and Gona Court (P.N. PB17-0004) - Labor and Material Bids*: Ms. Shaw reported that bids were solicited and received by WVWD staff. The Commissioners were asked to authorize the Administrative Officer to execute contracts for labor and materials based on the bids received, as summarized in the staff report presented to the Commission, as well as authorize staff to file a Notice of Exemption for the project.

***Upon consideration thereof, it was moved by Commissioner Lima seconded by Commissioner Lee, and carried (3-0-1), to authorize the Administrative Officer to execute contracts for labor and materials for Colima Interties at Banida Avenue, Hallgreen Drive, and Gona Court in accordance with the bids presented and recommended to the Commission, and filing a Notice of Exemption for Project No. PB17-0004. A roll call vote was then taken:***

***Yes: Lee, Lewis, Lima***

***Noes: None***

***Absent: Ebenkamp***

***Motion Passed (3-0-1)***

**Chair Lewis indicated that the motion was approved by a 3-0-1 roll call vote**

(3) *Pomona Basin Regional Groundwater Project*

- a. *Six Basins Groundwater Project Update*: Ms. Shaw reported that staff is working with the contractors to continue the work on the project. Staff will schedule a future meeting with the Division of Drinking Water to review the Old Baldy Well and Durward Well site permitting and sanitary seal requirements.

b. *Proposition 84*: Mr. Hitchman will be preparing and submitting the project quarterly report.

(4) *Central Basin Well*

- a. *Central Basin Well Site Evaluation*: No update at this time.

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

- a. *LA Solutions for Engineering Solutions, LLC (LASER): Fifth Addendum to Professional Services Agreement for Strategic Consulting Services*: Mr. Hitchman requested that the Commissioners authorize the Administrative Officer to execute a Fifth 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, 2021.

***Upon consideration thereof, it was moved by Commissioner Lima seconded by Commissioner Lee, and carried (3-0-1), to authorize the Administrative Officer to execute a Fifth Amendment to the Professional Services Agreement for strategic consulting services for LA Solutions for Engineering Resources (LASER), LLC, to cover an increase of funding of \$40,000 and an extension of the agreement's term to June 30, 2021. A roll call vote was then taken:***

***Yes: Lee, Lewis, Lima***

***Noes: None***

***Absent: Ebenkamp***

***Motion Passed (3-0-1)***

**Chair Lewis indicated that the motion was approved by a 3-0-1 roll call vote**

**Item IX: Commission Follow-Up**

- ◆ The Commission received a follow-up report on prior actions.

**Item X: Commissioner Comments**

None.

**Item XI: Items for Future Discussion/Review**

None.

**Item XII: Attorney's Report**

- ◆ No report.

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

There were no requests to comment on closed session.

**Item XIV: Closed Session at 7:46 a.m.**

- (1) 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.
  - 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 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.
- (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 XV: Reconvene in Open Session at 7:53 a.m. – see above for the closed session report concerning Items 1-3.**

**Adjournment – 7:56a.m.**

*There being no further business to discuss, upon consideration thereof, it was moved by Commissioner Lima, seconded by Commissioner Lee and unanimously carried (3-0-1), to adjourn to the next Commission meeting to be held August 6, 2020.*



August 6, 2020

TO: Board of Commissioners  
 FROM: Erik Hitchman, Administrative Officer  
 RE: Commission Staff Amendment

**Recommendation**

That the Commissioners:

1. Appoint Myra Malner as the Assistant Treasurer for the Commission.

**Background**

At the February 6, 2020 PBWA meeting the appointment of Secretary, Treasurer, Administrative Officer, Assistant Administrative Officer, and the Assistant Treasurer were made. Josh Byerrum of WWWD was appointed as the Assistant Treasurer, a position typically held by RWD staff. Due to the hiring of Myra Malner as Director of Finance, we are recommending that Myra be named Assistant Treasurer of PBWA.

Position	Current Appointments	Proposed
Secretary (Rotates between RWD and WWWD)	RWD Designee (Ms. Fleming)	RWD's Designee (Ms. Fleming)
Treasurer (RWD)	RWD Designee (Mr. Teuber)	RWD Designee (Mr. Teuber)
Administrative Officer (WWWD)	Mr. Hitchman, WWWD	Mr. Hitchman, WWWD
Assistant Administrative Officer	Mr. Coleman, RWD	Mr. Coleman, RWD
Assistant Treasurer	Mr. Byerrum, WWWD	Ms. Malner, RWD





August 6, 2020

TO: Board of Commissioners  
FROM: Erik Hitchman, Administrative Officer  
RE: Biennial Review of Conflict of Interest Code

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**Recommendation:**

That the Commission authorize staff to file the *2020 Biennial Review Certification* form with the Los Angeles County Board of Supervisors-Executive Office, indicating “*No Amendment is Required*” to the Agency’s Conflict of Interest Code.

**Background Information:**

At the February 6, 2020 meeting the Commission reviewed and approved the Agency Conflict of Interest Code in conjunction the California Fair Political Practices Commission (CFPPC) recommendations. This Biennial review found no issues that would require change(s) to the current Code, including the Disclosure Categories (Exhibit “A”) and the Designated Positions (Exhibit “B”) - both attached.

Therefore, it is staff’s recommendation to file the required *2020 Biennial Review Certification Form* indicating “No Amendment is required.”

The biennial review of the Agencies Conflict of Interest Code as required by State law will be submitted by October 1, 2020.

*Attachments:*

- *2020 Biennial Review Certification Form*
- *PBWA Conflict of Interest Code*

# 2020 BIENNIAL REVIEW CERTIFICATION FORM

Submit now or no later than October 1, 2020

Name of Agency: \_\_\_\_\_

Name of Agency Head: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Agency Code Officer: \_\_\_\_\_ Office Phone No.: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

*Accurate disclosure is essential to monitor whether officials have conflicts of interest and to help ensure public trust in government. The biennial review examines current programs to ensure that the agency's code includes disclosure by those agency officials who make or participate in making governmental decisions.*

**This agency has reviewed its conflict of interest code and has determined that (check one box):**

**1. AN AMENDMENT IS REQUIRED (Check all that apply):**

Include new positions

Revise disclosure categories

Revise the titles of existing positions

Delete titles of positions that have been abolished and/or positions that no longer make or participate in making governmental decisions

Other (*describe*) \_\_\_\_\_

**2. THE CODE IS CURRENTLY UNDER REVIEW BY THE CODE REVIEWING BODY.**

**3. NO AMENDMENT IS REQUIRED.**

**If your code has not been amended in more than five years, amendments may be necessary.**

**Verification (to be completed if no amendment is required)**

*This agency's conflict of interest code accurately designates all positions that make or participate in the making of governmental decisions. The disclosure categories assigned to those positions accurately require the disclosure of all investments, business positions, interests in real property, and sources of income that may foreseeably be affected materially by the decisions made by those holding designated positions. The code includes all other provisions required by Government Code Section 87302.*

\_\_\_\_\_  
Signature of Agency Head or Designee

\_\_\_\_\_  
Date

**Please complete the form and indicate whether or not there will be any amendments required, make sure it is signed appropriately, and then email it back to [COICODES-Desk@bos.lacounty.gov](mailto:COICODES-Desk@bos.lacounty.gov). Remember, if there are any amendments, you have 90 days after this form is submitted to supply them. When supplying amendment documentation, please also direct it to the aforementioned email address.**

*All agencies must complete and return this notice regardless of how recently your code was approved or amended. Please submit this notice no later than Thursday, October 1, 2020.*

**PLEASE DO NOT RETURN THIS FORM TO THE FPPC**

Conflict of Interest Code  
of the

**PUENTE BASIN WATER AGENCY**

Incorporation of FPPC Regulation 18730 (2 California Code of Regulations, Section 18730) by Reference

The Political Reform Act (Government Code Section 81000, *et seq.*) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. 18730), which contains the terms of a standard conflict of interest code. After public notice and hearing, it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730, and any amendments to it duly adopted by the Fair Political Practices Commission, are hereby incorporated into the conflict of interest code of this agency by reference. This regulation and the attached Appendices (or Exhibits) designating officials and employees and establishing economic disclosure categories shall constitute the conflict of interest code of this agency.

Place of Filing of Statements of Economic Interests

All officials and employees required to submit a statement of economic interests shall file their statements with the agency head; or his or her designee. The agency shall make and retain a copy of all statements filed by its **Commission** Members, Alternate **Commission** Members, as appropriate, and its **Administrative Officer** and forward the originals of such statement to the Executive Office of the Board of Supervisors of Los Angeles County.

The agency shall retain the originals of statements for all other Designated Positions named in the agency's conflict of interest code. All retained statements, original or copied, shall be available for public inspection and reproduction (Gov. Code Section 81008).

# **PUENTE BASIN WATER AGENCY**

## **EXHIBIT "A"**

### **CATEGORY 1**

Persons in this category shall disclose, in accordance with this Code, all interests in real property within the Agency, except personal residences. Real property shall be deemed to be within the jurisdiction if the property or any part of it is located within or not more than two miles outside the boundaries of the jurisdiction or within two miles of any land owned or used by the Agency.

**Persons are not required to disclose a residence, such as a home or vacation cabin, used exclusively as a personal residence; however, a residence in which a person rents out a room or for which a person claims a business deduction may be reportable.**

### **CATEGORY 2**

**Persons in this category shall disclose all investments and business positions.**

### **CATEGORY 3**

**Persons in this category shall disclose all income (including gifts, loans and travel payments) and business positions.**

### **CATEGORY 4**

**Persons in this category shall disclose all business positions, investments in, or income (including gifts and loans) received from business entities that manufacture, provide or sell service and/or supplies of a type utilized by the agency and associated with the job assignment of designated positions assigned to this disclosure category.**

**PUENTE BASIN WATER AGENCY**

**EXHIBIT “B”**

<b><u>Designated Positions</u></b>	<b><u>Disclosure Categories</u></b>
<b>Commission Member/Alternate</b>	<b>1, 2, 3</b>
<b>Administrative Officer</b>	<b>1, 2, 3</b>
<b>Consultants/New Positions*</b>	

**\*Consultants/New Positions are included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code, subject to the following limitations:**

**The Administrative Officer or his or her designee may determine in writing that a particular consultant or new position, although a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with disclosure requirements in this section. Such written determination shall include a description of the consultant’s or new position’s duties and, based upon that description, a statement of the extent of disclosure requirements. The Administrative Officer or his or her designee’s determination is a public record and shall be retained for public inspection in the same manner and location as this conflict-of-interest code. (Gov. Code Section 81008.)**

**Individuals who perform under contract the identical duties of any designated position shall be required to file Statements of Economic Interests disclosing reportable interests in the categories assigned to that designated position**

**EFFECTIVE DATE: February 9, 2020**



August 6, 2020

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 2020-2021	04/02/2020	Approved the PBWA Operating Budget for Fiscal Year 2020-2021	04/20/2020: Ratified by Walnut Valley Water District's Board of Directors  06/16/2020: Ratified by Rowland Water District's Board of Directors	None.
Consider Contract for Auditing Services	04/02/2020	Approved Agreement	4/18/2020: Received executed agreement from Fedak & Brown, LLP.	None.
Award of Contracts for Colima Interties at Banida Avenue, Hallgreen Drive, and Gona Court (P.N. PB17-0004) - Labor and Material Bids	06/04/2020	Approved Award of Contracts for Colima Interties at Banida Avenue, Hallgreen Drive, and Gona Court (P.N. PB17-0004) - Labor and Material Bids	07/08/2020: Received executed agreement from Doty Bros. Equipment Co.  07/09/2020: Notice to Proceed issued	None.
LA Solutions for Engineering Solutions, LLC (LASER): Fifth Addendum to Professional Services Agreement for Strategic Consulting Services	06/04/2020	LA Solutions for Engineering Solutions, LLC (LASER): Fifth Addendum to Professional Services Agreement for Strategic Consulting Services	06/22/2020: Received executed agreement from LA Solutions for Engineering Solutions, LLC (LASER)	None.