



**BOARD OF COMMISSIONERS  
MEETING AGENDA**

Rowland Water District  
3021 S. Fullerton Road  
Rowland Heights, CA 91748

**Thursday, February 6, 2020  
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. Approval of Minutes for December 12, 2019 (attachment) Chairman Lee
  - a. Discussion
  - b. Action Taken
- VI. Receive and File Rowland and Walnut Valley Water Districts' 2020 PBWA Board Member Appointment Resolution (attachment) Chairman Lee
  - a. Discussion
  - b. Action Taken
- VII. Annual Selection of Commission Officers and Commission Staff (attachment) Chair
  - a. Discussion
  - b. Action Taken
- VIII. Review of Financial Statements: Second Quarter FY 2019-20 (attachment) Mr. Teuber
  - a. Discussion
  - b. Action Taken
- IX. Review of Conflict of Interest Code and Determination of Possible Amendment (attachment) Mr. Hitchman
  - a. Discussion
  - b. Action Taken
- X. Reeb Government Relations, LLC - 2019 Annual Report (attachment) Mr. Hitchman
  - a. Discussion
  - b. Action Taken

- XI. Regional Water Supply Reliability Program Updates/Status: Mr. Coleman/  
Mr. Hitchman
- (1) California Domestic Water Company
    - a. MWD Carson Recycled Water Project TVMWD LOI
  - (2) Pathfinder Road 20-inch Water Main Installation
  - (3) Pomona Basin Regional Groundwater Project
    - a. Six Basins Groundwater Project Update
    - b. Proposition 84 - 2014 Drought Round Amendment #2
  - (4) Central Basin Well
    - a. Central Basin Well Site Evaluation
      - i. Discussion
      - ii. Action Taken
  - (5) Proposition 1 Integrated Regional Water Management Grant
- XII. Commission Follow-Up (attachment) Mr. Hitchman
- a. Discussion
  - b. Action Taken
- XIII. Commissioner Comments
- a. Discussion
  - b. Action Taken
- XIV. Items for Future Discussion/Review Chairman
- a. Discussion
  - b. Action Taken
- XV. Attorney's Report
- a. Legal Counsel will report on matters of interest or having an effect on the Agency
- XVI. Public Comment on Closed Session Chairman
- XVII. 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
- XVIII. Reconvene in Open Session
- Report of action, if any, taken in Closed Session
- *Next Commission Meeting: Thursday, April 2, 2020, 7:00 a.m., at Walnut Valley Water District*
- Adjournment

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

**December 12, 2019  
At the Offices of the  
Walnut Valley Water District**

**COMMISSIONERS PRESENT:**

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

**STAFF PRESENT:**

Erik Hitchman, Administrative Officer  
Andy Turner, Legal Counsel  
Brian Teuber, Treasurer  
Carmen Fleming, Secretary

**COMMISSIONERS ABSENT:**

None

Staff, guests and others in attendance: Mr. Tom Coleman, Mr. Dave Warren, and Ms. Rose Perea, 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: 2018-19 Audited Financial Statements Prepared by Davis Farr**

- ♦ An overview of the Agency's Audit Report for Fiscal Year 2018-19 was presented via telephone by Mr. Eric Martin, of the firm Davis Farr, LLP.

*Upon consideration thereof, it was moved by Commissioner Lewis, seconded by Commissioner Lima, and unanimously carried (4-0), to approve, receive and file the Agency's Audit Report for Fiscal Year 2018-19.*

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

**Item VI: Approval of Minutes for October 3, 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 October 3, 2019.*

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

**Item VII: Review of Financial Statements: First Quarter FY 2019-20**

- ♦ Mr. Byerrum reviewed the First Quarter Fiscal Year 2019-20 financials.

*Upon consideration thereof, it was moved by Commissioner Lima seconded by Commissioner Ebenkamp, and unanimously carried (4-0), to receive, approve and file the financials for the First Quarter Fiscal Year 2019-20.*

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

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

(1) *California Domestic Water Company:*

- a. *Project Update:* Mr. Coleman reported that the Cal Domestic project was operating at a single pump flow.

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

- a. *Consider Authorization of the 20-inch Water Transmission Main (P.N. PB17-0004) –*

*Change Order 1:* Ms. Shaw reported that although existing utilities and field conditions were researched during the design phase, discrepancies were revealed during construction. Change Order No. 1 includes these adjustments, as well as, permit fee reimbursement.

***Upon consideration thereof, it was moved by Commissioner Lima seconded by Commissioner Ebenkamp, and unanimously carried (4-0), to authorize the Administrative Officer to execute the 20-inch Water Transmission Main (P.N. PB17-0004) - Change Order No. 1 in the amount of \$201,279.64***

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

(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 quarterly invoices and progress reports were submitted and staff worked on revisions and amendments to the project schedule. Staff is waiting for the contract amendments from both the County of Los Angeles and DWR.

(4) *Central Basin Well*

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

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

- a. *Project Update:* Mr. Hitchman reported that staff is continuing to work with Ms. Wendy La of LASER, Inc., on potential projects for which grant funding may be sought.

**Item IX: PBWA's Proposed 2020 Meeting Schedule and Approval of Resolution No. 12-19-015 Noting Same**

- ♦ Mr. Hitchman stated that the Commission is required to pass a "Meeting Resolution" per State Law. As needed, meeting times may be changed by a vote. The year was presented incorrectly on the staff report and should be changed to the year 2020 on the final resolution.

***Upon consideration thereof, it was moved by Commissioner Lewis, seconded by Commissioner Lima and unanimously carried (4-0), to approve Resolution No. 12-19-015, setting forth the 2020 meeting schedule for the Puente Basin Water Agency, pending the correction. A roll call vote was then taken:***

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

***Noes: None***

***Motion Passed (4-0)***

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

**Item X: Commission Follow-Up**

None.

**Item XI: Commissioner Comments**

None.



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

None.

**Item XIII: Attorney's Report**

No Report.

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

There were no requests to comment on closed session.

**Item XV: Closed Session at 7:58 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 XVI: Reconvene in Open Session at 8:10 a.m. – see above for the closed session report concerning Items 1-3.**

**Adjournment – 8:10 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 to be held February 6, 2020.*

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



February 6, 2020

TO: Board of Commissioners  
FROM: Erik Hitchman, Administrative Officer  
RE: Receive and File Rowland and Walnut Valley Water Districts' 2020  
PBWA Board Member Appointment Resolutions

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**Recommendation:**

Receive and file Resolution No. 12.1-2019, Rowland Water District, and Resolution No. 01-20-662, Walnut Valley Water District.

**Background**

Attachments:

- ✓ *Rowland Water District Board approval documents*
- ✓ *Walnut Valley Water District Board approval documents*



Minutes of the Adjourned Meeting  
of the Board of Directors of the Rowland Water District  
December 17, 2019 – 6:00 p.m.  
Location: District Office

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**PLEDGE OF ALLEGIANCE**

President Robert W. Lewis opened the meeting with a dedication to recently deceased Three Valleys' Director, Joe Ruzicka.

**ROLL CALL OF DIRECTORS**

President Robert W. Lewis  
Vice President Teresa P. Rios  
Director Anthony J. Lima  
Director Szu Pei Lu-Yang  
Director John Bellah

**ABSENT:**

None.

**OTHERS PRESENT:**

Ryan Guiboa, Legal Counsel, Best Best & Krieger  
Erin LaCombe Gilhuly, CV Strategies  
Denise Jackman, Three Valleys Municipal Water District  
Kirk Howie, Three Valleys Municipal Water District  
David and Teri Malkin, Residents

**ROWLAND WATER DISTRICT STAFF**

Tom Coleman, General Manager  
Dave Warren, Assistant General Manager  
Rose Perea, Director of Administrative Services  
Dusty Moisio, Director of Operations  
Roy Frausto, Engineering and Compliance Manager

**ADDITION(S) TO THE AGENDA**

None.

**PUBLIC COMMENT ON NON-AGENDA ITEM**

David Malkin, Resident, offered his condolences to the District on the passing of Three Valleys Director, Joe Ruzicka, who died on December 13, 2019. Director Ruzicka attended the Rowland Water District Board meetings regularly.

## **TAB 1 – CONSENT CALENDAR**

Upon motion by Director Lima, seconded by Director Rios, the Consent Calendar was approved as follows:

Ayes: Directors Lewis, Rios, Lima, Lu-Yang and Bellah  
Noes: None  
Abstain: None  
Absent: None

**The approval of the Consent Calendar included:**

**1.1**

**Approval of the Minutes of Regular Board Meeting Held on November 12, 2019**

**1.2**

**Approval of the Minutes of Special Board Meeting Held on November 26, 2019**

**1.3**

**Demands on General Fund Account for October 2019**

**1.4**

**Investment Report for October 2019**

**1.5**

**Water Purchases for October 2019**

Next Regular Board Meeting

January 14, 2020, 6:00 p.m.

## **Tab 2 – ACTION ITEMS**

**2.1**

**Review and Approve Directors' Meeting Reimbursements for November 2019**

Upon Motion by Director Lima, seconded by Director Rios, the Directors' Meeting Reimbursement Report was approved as follows:

Ayes: Directors Lewis, Rios, Lima, Lu-Yang and Bellah  
Noes: None  
Abstain: None  
Absent: None

**2.2**

**Approve Executive Officer Positions of the Board of Directors for 2020**

After discussion, upon motion by Director Lima, seconded by Director Rios, the Board unanimously approved Director Robert W. Lewis' election to serve as President for calendar year 2020 and Director Teresa Rios' election to serve as Vice President for calendar year 2020.

Ayes: Directors Lewis, Rios, Lima, Lu-Yang and Bellah  
Noes: None  
Abstain: None  
Absent: None

### 2.3

#### **Review and Approve Board of Directors' Committee Assignments for 2020**

All Committee assignments for the 2020 calendar year were discussed. A motion was made by Director Lima, seconded by Director Rios, and unanimously approved, to confirm the following committee assignments for the 2020 calendar year:

|  |   |
|--|---|
| Puente Basin Water Agency  | Director Lewis<br>Director Lima<br>Tom Coleman, Alternate   |
| PWR Joint Water Line Commission  | Director Lima<br>Director Rios, Alternate                   |
| Three Valleys Municipal Water District                                       | Director Lima<br>Director Lu-Yang                           |
| Association of California Water Agencies                                     | Director Bellah<br>Director Lewis                           |
| Joint Powers Insurance Authority   | Director Lewis<br>Tom Coleman, Alternate                    |
| San Gabriel Valley Regional Chamber of Commerce-Government Affairs Committee | Director Lewis, Voting Member<br>Director Bellah, Alternate |
| Los Angeles County Sheriff's Department Advisory Council                     | Director Lu-Yang<br>Director Rios                           |
| Project Ad-Hoc Committee   | Director Lima<br>Director Lu-Yang                           |
| Rowland Heights Community Coordinating Council                               | Director Bellah<br>Director Lu-Yang                         |
| Hacienda Heights Improvement Association                                     | Director Lima   |

Ayes: Directors Lewis, Rios, Lima, Lu-Yang and Bellah  
Noes: None  
Abstain: None  
Absent: None

### 2.4

#### **Approve/Confirm Appointment of Directors to Serve on the Puente Basin Water Agency**

A motion was made by Director Bellah, seconded by Director Lu-Yang, and unanimously carried to confirm the appointment of Director Lima and Director Lewis as Commissioners of the Puente Basin Water Agency and General Manager, Tom Coleman, as Alternate Commissioner.

Ayes: Directors Lewis, Rios, Lima, Lu-Yang and Bellah  
Noes: None  
Abstain: None  
Absent: None

## 2.5

### **Review and Approve Resolution No. 12-2019 of the Board of Directors Rescinding the Level 1 Water Supply Shortage Declaration**

After discussion, a motion was made by Director Lima, seconded by Director Rios, to approve Resolution No. 12-2019 Rescinding the Level 1 Water Supply Shortage Declaration. The motion was approved by the following roll-call vote:

Ayes: Directors Lewis, Rios, Lima, Lu-Yang and Bellah  
Noes: None  
Abstain: None  
Absent: None

Motion passed by a vote of 5-0.

## 2.6

### **Review and Approve Resolution No. 12.1-2019 of the Board of Directors Appointing Representatives to the Puente Basin Water Agency**

A motion was made by Director Bellah, seconded by Director Lima, to approve Resolution No. 12.1-2019 appointing Director Lima and Director Lewis as Commissioners of the Puente Basin Water Agency and General Manager, Tom Coleman, as Alternate Commissioner to represent the District. The motion was approved by the following roll-call vote:

Ayes: Directors Lewis, Rios, Lima, Lu-Yang and Bellah  
Noes: None  
Abstain: None  
Absent: None

Motion passed by a vote of 5-0.

## 2.7

### **Approve/Confirm Appointment of Directors to Serve on the Pomona-Walnut-Rowland Joint Water Line Commission**

A motion made by Director Bellah, seconded by Director Lu-Yang, for the appointment of Director Lima as Commissioner, and Director Rios as alternate, to serve on the Pomona-Walnut-Rowland Joint Water Line Commission. The motion was unanimously carried.

Ayes: Directors Lewis, Rios, Lima, Lu-Yang and Bellah  
Noes: None  
Abstain: None  
Absent: None

## 2.8

### **Review and Approve Resolution No. 12.2-2019 Establishing the Rowland Water District Investment Policy**

After discussion, a motion was made by Director Lima, seconded by Director Rios, to approve Resolution No. 12.2-2019 Establishing the Rowland Water District Investment Policy. The motion was approved by the following roll-call vote:

Ayes: Directors Lewis, Rios, Lima, Lu-Yang and Bellah  
Noes: None  
Abstain: None  
Absent: None

Motion passed by a vote of 5-0.

## 2.9

### **Review and Approve Resolution No. 12.3-2019 Re-Appointing the District Treasurer and Delegating Authority for the Investment of Surplus Funds of the District to the General Manager/Treasurer**

After discussion, a motion was made by Director Lima, seconded by Director Lu-Yang, to approve Resolution No. 12.3-2019 Re-Appointing the District Treasurer and Delegating Authority for the Investment of Surplus Funds of the District to the General Manager. The motion was approved by the following roll-call vote:

Ayes: Directors Lewis, Rios, Lima, Lu-Yang and Bellah

Noes: None

Abstain: None

Absent: None

Motion passed by a vote of 5-0.

## 2.10

### **Public Relations (Rose Perea)**

Rose Perea reported eight Edu-Bucks were awarded: Blandford-1; Rowland Elementary-6; and Jellick-1, totaling \$7403.93. The MWD Poster Contest ceremony was held on December 11, 2019; Media Contest applications are due February 13, 2020 and Scholar Program applications are due January 23, 2020.

### **Communications Outreach (CV Strategies)**

Erin LaCombe Gilhuly, CV Strategies, reported that the conservation microsite will be launching in one week and a press release will be issued the first week in January. She advised that the new site is very interactive and includes puzzles for kids and a water use calculator. A customer service workshop was held at the District on December 16, 2019 to review the information contained in the legislative microsite as well as the conservation and water quality information provided on the website to enable customer service staff to better answer questions posed by customers. The updated information cards for the Board will be ready for distribution at the next Board meeting.

### **Education Update**

Provided for information purposes only.

## 2.11

### **Discussion of Upcoming Conferences, Workshops, or Events (including items that may have arisen after the posting of the Agenda)**

- Wedgeworth K-8 School Project Environmental Impact Report (EIR) Public Meeting, Saturday December 14, 2019, 10:00 a.m. – 11:30 a.m., Wedgeworth Elementary School, 16949 Wedgeworth Drive, Hacienda Heights, CA  
*No action taken.*
- San Gabriel Valley Water Forum, April 16, 2020, 8:00 a.m. to 1:30 p.m., Hilton Los Angeles/San Gabriel, 225 W. Valley Boulevard, San Gabriel, CA  
*The Board asked staff to include this item on the March agenda.*

## **TAB 3 LEGISLATIVE INFORMATION**

### **3.1**

#### **Updates on Legislative Issues**

None.

#### **TAB 4 REVIEW OF CORRESPONDENCE**

None.

#### **TAB 5 COMMITTEE REPORTS**

##### **5.1**

##### **Joint Powers Insurance Authority**

JPIA President's Special Recognition Awards provided for information purposes only.

##### **5.2**

##### **Three Valleys Municipal Water District**

Director Lima reported on his attendance at the November 20, 2019 Board meeting and advised that members of the public were present to voice their opposition to the Cadiz project.

##### **5.3**

##### **Association of California Water Agencies**

Director Lewis reported on his attendance at the ACWA Fall Conference held in San Diego, CA, December 3-6, 2019.

##### **5.4**

##### **Puente Basin Water Agency**

Director Lima reported on his attendance at the meeting held on December 12, 2019 at Walnut Valley Water District and advised that a Davis Farr, LLP, representative participated in a teleconference to present the audited 2018-2019 financial statements. After discussion, the 2018-2019 financial statements were approved as presented. The Commissioners authorized the Administrative Officer to execute Change Order No. 1 for \$201,271.64 in connection with the 20" Pathfinder transmission main. An update was provided in connection with Proposition 84.

##### **5.5**

##### **Project Ad-Hoc Committee**

Nothing to report.

##### **5.6**

##### **Regional Chamber of Commerce**

The Government Affairs Committee met at the Rowland Water District on November 18, 2019. General Manager, Tom Coleman, presented a "System Overview" of District facilities and equipment which was very well received by members of the Government Affairs Committee.

##### **5.7**

##### **PWR Joint Waterline Commission**

Nothing to report. The next meeting will be held on February 13, 2020.

##### **5.8**

##### **Sheriff's Community Advisory Council**

Nothing to report.



## 5.9

### **Rowland Heights Community Coordinating Council**

Director Lu-Yang advised that Deputy Denver from the Walnut Sheriff's Department provided information on holiday safety at the December 16, 2019 meeting.

## 5.10

### **Hacienda Heights Improvement Association**

Director Lima reported on his attendance at the December 16, 2019 meeting and advised that a six-cent property tax increase, based on square footage, was proposed by Supervisor Janice Hahn's office for the fire department. The Industry Sheriff's Department presented a report and advised that car thefts have increased. On March 27, 2020, the meeting location will move to the Hacienda Heights Recreation Center on Turnbull Canyon Road.

## **TAB 6 OTHER REPORTS, INFORMATION ITEMS AND COMMENTS**

### **6.1**

#### **Finance Report**

General Manager, Tom Coleman, presented a year-to-date Revenue and Expense Report by Category and Consumption by Class through October 31, 2019.

### **6.2**

#### **Operations Report**

Director of Operations, Dusty Moasio, provided updates on the following projects:

- Valve Replacement Program – Year-to-date, 60 system valves have been replaced. The District is entering into an agreement with a contractor to complete an additional 50 valves.
- AMI Meter Replacement Program – Year-to-date, 500 meter bodies and 2,500 modules have been replaced.

### **6.3**

#### **Personnel Report**

General Manager, Tom Coleman, introduced the Engineering and Compliance Manager and advised that he started with the District on December 2, 2019. The Meter Reader I position was filled with a former intern. Three of the four most recent interns have been hired to full-time positions in the water industry.

## **TAB 7 ATTORNEY'S REPORT**

Nothing to report.

## **TAB 8 CLOSED SESSION**

Legal Counsel, Ryan Guiboa, advised that a closed session was not required in connection with the items listed below.

### **a. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION**

**Pursuant to paragraph (1) of subdivision (d) of Government Code Section 54956.9.**

**Name of Case: Rowland Water District vs. La Habra Heights County Water District, Case No. KC070088**

**b. Conference with Real Property Negotiator Pursuant to Government Code Section 54956.8**

Property: 18938 Granby Place, Rowland Heights, CA 91748  
District Negotiator: Tom Coleman, General Manager  
Negotiating Parties: Mark I. Chen Revocable Living Trust dated 9-8-17  
Under Negotiation: Price and Terms

**c. Conference with Real Property Negotiator Pursuant to Government Code Section 54956.8**

Property: Portion of Property Located at  
804 S. Azusa Ave., City of Industry, CA  
District Negotiator: Tom Coleman, General Manager  
Negotiating Parties: City of Industry  
Under Negotiation: Price and Terms

**General Manager's and Directors' Comments**

General Manager, Tom Coleman, reflected on Director Joe Ruzicka and his dedication to the water industry and genuine kindness to all individuals he encountered daily.

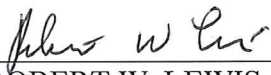
**Future Agenda Items**


- San Gabriel Valley Water Forum, April 16, 2020, 8:00 a.m. to 1:30 p.m., Hilton Los Angeles/San Gabriel, 225 W. Valley Boulevard, San Gabriel, CA

**Late Business**

None.

A motion was made by Director Lima, seconded by Director Rios, and unanimously carried to adjourn the meeting. The meeting was adjourned at 7:21 p.m.

  
\_\_\_\_\_  
ROBERT W. LEWIS  
Board President

Attest:   
\_\_\_\_\_  
TOM COLEMAN  
Board Secretary

RESOLUTION NO. 01-20-662

RESOLUTION OF THE WALNUT VALLEY WATER DISTRICT  
BOARD OF DIRECTORS  
APPOINTING REPRESENTATIVES TO THE PUENTE BASIN WATER AGENCY

**WHEREAS**, the Walnut Valley Water District entered into an Amended Restated and Renewed Joint Powers Agreement creating the PUENTE BASIN WATER AGENCY, dated October 28, 2009, with Rowland Water District, (the PBWA Agreement); and,

**WHEREAS**, the PBWA Agreement provides that the PUENTE BASIN WATER AGENCY shall be governed by a Commission consisting of four commissioners, and that the governing body of each of the members shall annually appoint two representatives to the Commission and one alternate to serve in the absence of either of the appointed representatives; and,

**WHEREAS**, the PBWA Agreement further provides that at least one of the appointed representatives of each member shall be a director on the governing board of the appointing member; and,

**WHEREAS**, each Commissioner must file with the PUENTE BASIN WATER AGENCY a certified copy of the resolution of the member appointing him or her,

**NOW THEREFORE, BE IT RESOLVED** by the Board of Directors of the Walnut Valley Water District:


1. That Theodore Ebenkamp, who is a member of the Board of Directors of the Walnut Valley Water District, shall be appointed as a representative of the Walnut Valley Water District to serve on the Commission of the PUENTE BASIN WATER AGENCY.
2. That Theresa Lee, who is a member of the Board of Directors of the Walnut Valley Water District, shall be appointed as a representative of the Walnut Valley Water District to serve on the Commission of the PUENTE BASIN WATER AGENCY.
3. That Scarlett Kwong, who is a member of the Board of Directors of the Walnut Valley Water District, shall be appointed as an alternate representative of the Walnut Valley Water District to serve on the Commission of the PUENTE BASIN WATER AGENCY in the absence of either of the appointed representatives.
4. That each of the representatives and alternate appointed herein shall serve for a term of one year unless removed and replaced at the pleasure of the Board of Directors, or unless such representative or alternate resigns or becomes incapacitated.
5. That a certified copy of this Resolution be provided to the PUENTE BASIN WATER AGENCY.

**ADOPTED AT A REGULAR MEETING OF THE WALNUT VALLEY WATER DISTRICT HELD  
JANUARY 21, 2020**

AYES: EBENKAMP, HILDEN, LEE, KWONG, TANG  
NOES: None  
ABSENT: None  
ABSTAIN: None

  
\_\_\_\_\_  
President  
Board of Directors

ATTEST:

  
\_\_\_\_\_  
Secretary



February 6, 2020

TO: Board of Commissioners  
FROM: Erik Hitchman, Administrative Officer  
RE: Annual Selection of Commission Officers and Commission Staff

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### **Recommendation**

That the Commissioners:

1. Conduct the annual selection of officers as set forth in the Joint Powers Agreement (JPA);<sup>1</sup> and the,
2. Annual appointment of Secretary, Treasurer, Administrative Officer, Assistant Administrative Officer and Assistant Treasurer as set forth in the JPA.

### **Background**

At February's PBWA meeting the amended JPA (referenced below) directs the selection of Commission officers:

#### **1. Section of Chair and Vice-Chair** (as amended on January 19, 2012)

In the JPA, subdivision 1 of Section E, it states,

At the Commission meeting in February, there shall be selected from the Commission a Chairman and a Vice Chairman. When the Commissioners select a Chairman from Walnut, the Vice Chairman shall be from Rowland. In that instance, for the following year, the new Chairman shall be from Rowland and the Vice Chairman shall be from Walnut. Such offices shall alternate between the Commissioners from Walnut and Rowland each year.

Following is the rotation for 2020:

| Position      | Current         | Rotation for 2020 |
|---------------|-----------------|-------------------|
| Chairman      | Ms. Lee - WVWD  | RWD Designee      |
| Vice-Chairman | Mr. Lewis - RWD | WVWD Designee     |

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<sup>1</sup> As amended at the PBWA's Jan 19, 2012, meeting and approved by the Rowland and Walnut Water Districts Board of Directors. Further amendments took place at the Feb 7, 2017, Commission meeting where Section E(1) authorizes the Commission to appoint additional officers as they deem appropriate (also refer to Item No. 2 of this report).

**2. Appointment of Secretary, Treasurer, Administrative Officer, Assistant Administrative Officer, and the Assistant Treasurer** (as amended on January 19, 2012 and February 7, 2017)

The JPA further states in subdivision 1 of Section E,

There shall also be a Secretary, Treasurer, and Administrative Officer. The Secretary of the Commission shall rotate annually between the General Manager of Walnut, or Walnut's General Manager's designee, and the General Manager of Rowland, or Rowland's General Manager's designee. The Treasurer of the Commission shall be the Treasurer of Rowland or Rowland's General Manager's designee. The Administrative Officer shall be the General Manager of Walnut, or Walnut's General Manager's designee.

In addition to the officers specified in Section 2, above, Section E(1) of the Agency's Joint Powers Agreement authorizes the Commission to appoint additional officers as they deem appropriate. Accordingly, at the February 7, 2017, Commission meeting, approval was given to add Rowland's General Manager, Mr. Tom Coleman, and Rowland's Finance Officer, Mr. Josh Byerrum, as Assistant Administrative Officer and Assistant Treasurer, respectively, to these PBWA positions.

| Position                                    | Current Appointments           | Proposed for 2020               |
|---|--------------------------------|---------------------------------|
| Secretary<br>(Rotates between RWD and WVWD) | WVWD Designee<br>(Ms. Fleming) | RWD's Designee<br>(Ms. Fleming) |
| Treasurer (RWD)                             | RWD Designee<br>(Mr. Teuber)   | RWD Designee<br>(Mr. Teuber)    |
| Administrative Officer (WVWD)               | Mr. Hitchman, WVWD             | Mr. Hitchman, WVWD              |
| Assistant Administrative Officer            | Mr. Coleman, RWD               | Mr. Coleman, RWD                |
| Assistant Treasurer                         | Mr. Byerrum, WVWD              | Mr. Byerrum, WVWD               |

# Puente Basin Water Agency

## FY 2019-20 Operating Results By Quarter

|    |  | 9/30/2019 | 12/31/2019 | TOTAL      | Budget     |
|----|--|-----------|------------|------------|------------|
| 1  | Income                                       |           |            |            |            |
| 2  | Administrative Assessment                    | \$ 57,545 | \$ 56,314  | \$ 113,859 | \$ 283,040 |
| 3  | Water Sales - Project                        | 79,593    | 356,592    | 436,185    | 2,135,130  |
| 4  | Water Sales - TVMWD                          | 5,636,443 | 3,860,006  | 9,496,449  | 13,881,600 |
| 5  | Project Maintenance Reserve                  | -         | 2,329      | 2,329      | 15,000     |
| 6  | Used of Stored/Leased Water                  | -         | 245,482    | 245,482    | 1,614,350  |
| 7  | Total Income                                 | 5,773,581 | 4,520,723  | 10,294,304 | 17,929,120 |
| 8  | Expense                                      |           |            |            |            |
| 9  | Source of Supply                             |           |            |            |            |
| 10 | Purchased Water - TVMWD                      | 5,500,559 | 3,726,182  | 9,226,741  | 13,329,740 |
| 11 | Purchased Water - CDWC                       | -         | 174,015    | 174,015    | 1,135,570  |
| 12 | Purchased Water - Stored Water               | -         | 245,482    | 245,482    | 1,614,350  |
| 13 | Assessments - MSGBWM                         | -         | 76,859     | 76,859     | 495,000    |
| 14 | Total Source of Supply                       | 5,500,559 | 4,222,538  | 9,723,097  | 16,574,660 |
| 15 | Fixed Charges                                |           |            |            |            |
| 16 | TVMWD Equivalent Small Meters                | 16,099    | 16,099     | 32,198     | 64,200     |
| 17 | TVMWD Water Use Charge                       | 18,822    | 18,822     | 37,644     | 73,400     |
| 18 | TVMWD Connected Capacity                     | 15,187    | 15,187     | 30,374     | 61,040     |
| 19 | MWD Capacity Reservation Charge              | 83,716    | 83,716     | 167,432    | 351,120    |
| 20 | CDWC Ready To Serve                          | 1,859     | 1,859      | 3,718      | 7,440      |
| 21 | Total Fixed Charges                          | 135,683   | 135,683    | 271,366    | 557,200    |
| 22 | Other Costs                                  |           |            |            |            |
| 23 | Energy - Pumping and Treatment               | 20,225    | 29,963     | 50,188     | 300,000    |
| 24 | Materials & Supplies - Chemical              | 869       | 9,271      | 10,140     | 36,000     |
| 25 | Materials & Supplies - Others                | 2,109     | 6,649      | 8,758      | 19,000     |
| 26 | Other Costs (RWD Labor etc.)                 | 2,931     | 6,376      | 9,307      | 39,120     |
| 27 | Baldy Lease Agreement                        | 51,600    | 51,600     | 103,200    | 103,000    |
| 28 | Permits & Fees                               | 2,060     | -          | 2,060      | 2,100      |
| 29 | Total Other Costs                            | 79,794    | 103,859    | 183,653    | 499,220    |
| 30 | Administrative & General                     |           |            |            |            |
| 31 | Legal  | 10,805    | 14,147     | 24,952     | 100,000    |
| 32 | Engineering                                  | -         | 588        | 588        | 5,000      |
| 33 | Professional Services- Other                 | 34,615    | 29,055     | 63,670     | 125,000    |
| 34 | Insurance - Property & Liability             | -         | 2,139      | 2,139      | 5,000      |
| 35 | Accounting                                   | 4,000     | 2,040      | 6,040      | 8,040      |
| 36 | Administrative Expenses - Other              | 8,126     | 8,344      | 16,470     | 40,000     |
| 37 | Total Administrative & General               | 57,545    | 56,314     | 113,859    | 283,040    |
| 38 | Total Expense                                | 5,773,581 | 4,518,394  | 10,291,975 | 17,914,120 |
| 39 | Other Income/Expense                         |           |            |            |            |
| 40 | Leased Water Income                          | -         | -          | -          |            |
| 41 | LAIF Interest                                | -         | 4,469      | 4,469      | 10,000     |
| 42 | Grant Revenue                                | -         | -          | -          |            |
| 43 | Other Income                                 | -         | -          | -          |            |
| 44 | Net Other Income                             | -         | 4,469      | 4,469      | 10,000     |
| 45 | Net Income (Loss) Before Transfers           | -         | 6,798      | 6,798      | 25,000     |
| 46 | Transfer In: Maint. Reserve Funds Used       | -         | -          | -          | -          |
| 47 | Transfer Out: Maint. Reserve Funds Collected | -         | (2,329)    | (2,329)    | (15,000)   |
| 48 | Net Income (Loss) After Transfers            | \$ -      | \$ 4,469   | \$ 4,469   | \$ 10,000  |

|    | PBWA Maintenance Reserve         | 9/30/2019  | 12/31/2019 | Year to Date | Budget     |
|----|----------------------------------|------------|------------|--------------|------------|
| 49 | Beginning Balance                | \$ 140,599 | \$ 140,599 | \$ 140,599   | \$ 140,599 |
| 50 | Transfers In                     | -          | 2,329      | 2,329        | 15,000     |
| 51 | Transfers Out                    | -          | -          | -            | -          |
| 52 | Ending Balance December 31, 2019 | \$ 140,599 | \$ 142,928 | \$ 142,928   | \$ 155,599 |

# Puente Basin Water Agency

## FY 2019-20 Operating Results By Quarter

| Capital Projects |                          | 9/30/2019  | 12/31/2019 | Year to Date | Life to Date |
|------------------|--------------------------|------------|------------|--------------|--------------|
| 53               | Revenues                 |            |            |              |              |
| 54               | Member Assessment - RWD  | \$ 75,338  | \$ 4,992   | \$ 80,330    | \$ 2,997,977 |
| 55               | Member Assessment - WVWD | 75,338     | 4,992      | 80,330       | \$ 2,997,977 |
| 56               | Total Revenues           | 150,677    | 9,984      | 160,660      | \$ 5,995,954 |
| 57               | Expenses                 |            |            |              |              |
| 58               | Pathfinder               | 41,739     | 114        | 41,853       | \$ 2,074,714 |
| 59               | Pomona Basin             | 108,937    | 9,869      | 118,807      | \$ 3,921,341 |
| 60               | Total Expenses           | \$ 150,677 | \$ 9,984   | \$ 160,660   | \$ 5,996,054 |

| PBWA Stored Water |                       | 9/30/2019    | 12/31/2019   | Year to Date |
|-------------------|-----------------------|--------------|--------------|--------------|
| 61                | Stored Water (\$\$):  |              |              |              |
| 62                | Beginning Balance     | \$ 6,080,786 | \$ 6,080,786 | \$ 6,080,786 |
| 63                | Add: Purchased Water  |              |              | -            |
| 64                | Less: Water Purchased | -            | (245,482)    | (245,482)    |
| 65                | Ending Balance        | \$ 6,080,786 | \$ 5,835,304 | \$ 5,835,304 |
| 66                | Stored Water (AF):    |              |              |              |
| 67                | Beginning Balance     | 10,677       | 10,677       | 10,677       |
| 68                | Add: Purchased Water  | -            | -            | -            |
| 69                | Less: Water Purchased | -            | (466)        | (466)        |
| 70                | Ending Balance        | 10,677       | 10,212       | 10,212       |

**PUENTE BASIN WATER AGENCY  
STATEMENT OF CASH FLOWS  
FY 2019-20**

|                             |                       |                                       |                 |                 |
|-----------------------------|-----------------------|---------------------------------------|-----------------|-----------------|
|                             |                       |                                       |                 |                 |
|                             |                       | BEGINNING BALANCE JULY 1, 2019        |                 | \$ 1,633,112.40 |
| <b><u>Deposits:</u></b>     |                       |                                       |                 |                 |
|                             |                       | Rowland                               | \$ 2,565,198.39 |                 |
|                             |                       | WVWD                                  | 8,647,757.00    |                 |
|                             |                       | Liberty Utilities                     | 17,500.00       |                 |
|                             |                       | Palmdale Water District               | 8,333.30        |                 |
|                             |                       | Valley County Water District          | 4,000.00        |                 |
|                             |                       | LAIF-Interest                         | 9,075.71        |                 |
|                             |                       | Subtotal Deposits                     | -               | 11,251,864.40   |
|                             |                       | Total Deposits                        |                 | 12,884,976.80   |
|                             |                       |                                       |                 |                 |
| <b><u>Disbursements</u></b> |                       |                                       |                 |                 |
| <b><u>Date</u></b>          | <b><u>Check #</u></b> | <b><u>Payee</u></b>                   |                 |                 |
| 07/12/19                    | 1432                  | ACWA/JPIA                             | (1,869.81)      |                 |
| 07/12/19                    | 1433                  | Brkich Construction Corp.             | (438,020.54)    |                 |
| 07/12/19                    | 1434                  | City of La Verne                      | (51,600.00)     |                 |
| 07/12/19                    | 1435                  | DavisFarr                             | (2,000.00)      |                 |
| 07/12/19                    | 1436                  | Doty Bros. Equipment                  | (256,604.50)    |                 |
| 07/12/19                    | 1437                  | Lagerlof, Senecal, Gosney & Kruse LLP | (1,710.00)      |                 |
| 07/12/19                    | 1438                  | LASER LLC                             | (5,138.28)      |                 |
| 07/12/19                    | 1439                  | Reeb Government Relations, LLC        | (6,000.00)      |                 |
| 07/12/19                    | 1440                  | Rowland Water District                | (63,963.80)     |                 |
| 07/12/19                    | 1441                  | Southern California Edison            | (2,550.28)      |                 |
| 07/12/19                    | 1442                  | TVMWD                                 | (1,329,632.07)  |                 |
| 07/12/19                    | 1443                  | Walnut Valley Water District          | (12.93)         |                 |
| 07/12/19                    | 1444                  | Woodard & Curran - RMC                | (1,325.78)      |                 |
| 07/24/19                    | 1445                  | Los Angeles County Public Works       | (62.30)         |                 |
| 07/24/19                    | 1446                  | Los Angeles County Public Works       | (62.30)         |                 |
| 08/08/19                    | 1448                  | Bank of America                       | (442.39)        |                 |
| 08/08/19                    | 1449                  | City of Diamond Bar                   | (426.74)        |                 |
| 08/08/19                    | 1450                  | Civiltec Engineering                  | (2,237.50)      |                 |
| 08/08/19                    | 1451                  | Doty Bros. Equipment                  | (82,641.45)     |                 |
| 08/08/19                    | 1452                  | Lagerlof, Senecal, Gosney & Kruse LLP | (900.00)        |                 |
| 08/08/19                    | 1453                  | Reeb Government Relations, LLC        | (6,000.00)      |                 |
| 08/08/19                    | 1454                  | Rowland Water District                | (3,948.08)      |                 |
| 08/21/19                    | 1455                  | Brkich Construction Corp.             | (23,916.44)     |                 |
| 08/21/19                    | 1456                  | Doty Bros. Equipment                  | (21,980.15)     |                 |
| 08/21/19                    | 1457                  | Inland Water Works                    | (489.46)        |                 |



**PUENTE BASIN WATER AGENCY  
STATEMENT OF CASH FLOWS  
FY 2019-20**

|          |           |                                       |                |  |
|----------|-----------|---------------------------------------|----------------|--|
| 08/21/19 | 1458      | LASER LLC                             | (4,800.00)     |  |
| 08/21/19 | 1459      | Rowland Water District                | (309.83)       |  |
| 08/21/19 | 1460      | TVMWD                                 | (1,877,268.07) |  |
| 08/21/19 | 1461      | Walnut Valley Water District          | (3,683.62)     |  |
| 09/10/19 | 1462      | Ecotech Services                      | (1,900.00)     |  |
| 09/10/19 | 1463      | Lagerlof, Senecal, Gosney & Kruse LLP | (240.00)       |  |
| 09/10/19 | 1464      | Reeb Government Relations, LLC        | (6,000.00)     |  |
| 09/10/19 | 1465      | Rowland Water District                | (2,680.96)     |  |
| 09/10/19 | 1466      | San Gabriel Valley Watermaster        | (192,535.20)   |  |
| 09/10/19 | 1467      | TVMWD                                 | (2,038,364.07) |  |
|          | 1468-1478 | VOID                                  | -              |  |
| 10/18/19 | 1479      | ACWA                                  | (3,230.00)     |  |
| 10/18/19 | 1480      | Brkich Construction Corp.             | (83,596.01)    |  |
| 10/18/19 | 1481      | DavisFarr                             | (4,000.00)     |  |
| 10/18/19 | 1482      | Doty Bros. Equipment                  | (2,582.10)     |  |
| 10/18/19 | 1483      | Lagerlof, Senecal, Gosney & Kruse LLP | (1,995.00)     |  |
| 10/18/19 | 1484      | LASER LLC                             | (11,814.84)    |  |
| 10/18/19 | 1485      | Morrow Meadow                         | (5,492.60)     |  |
| 10/18/19 | 1486      | Reeb Government Relations, LLC        | (6,000.00)     |  |
| 10/18/19 | 1487      | Rowland Water District                | (16,564.44)    |  |
| 10/18/19 | 1488      | TVMWD                                 | (2,028,831.07) |  |
| 10/18/19 | 1489      | West Coast Pipe                       | (10,643.40)    |  |
| 11/15/19 | 1490      | Bank of America                       | (372.07)       |  |
| 11/15/19 | 1491      | Civiltec Engineering                  | (1,425.00)     |  |
| 11/15/19 | 1492      | Lagerlof, Senecal, Gosney & Kruse LLP | (3,633.75)     |  |
| 11/15/19 | 1493      | Rowland Water District                | (22,243.35)    |  |
| 11/15/19 | 1494      | TVMWD                                 | (1,569,248.07) |  |
| 11/15/19 | 1495      | Woodard & Curran - RMC                | (5,023.53)     |  |
| 12/11/19 | 1496      | City of La Verne                      | (51,600.00)    |  |
| 12/11/19 | 1497      | KYLE Goundwater, Inc.                 | (621.10)       |  |
| 12/11/19 | 1498      | Lagerlof, Senecal, Gosney & Kruse LLP | (7,091.25)     |  |
| 12/11/19 | 1499      | LASER LLC                             | (6,800.00)     |  |
| 12/11/19 | 1500      | Reeb Government Relations, LLC        | (12,000.00)    |  |
| 12/11/19 | 1501      | Rowland Water District                | (4,830.67)     |  |
| 12/11/19 | 1502      | TVMWD                                 | (1,582,287.07) |  |
| 12/11/19 | 1503      | Woodard & Curran - RMC                | (4,845.93)     |  |
| 12/30/19 | 1504      | VOID                                  | -              |  |
| 12/30/19 | 1505      | VOID                                  | -              |  |
| 12/30/19 | 1506      | ACWA/JPIA                             | (2,139.00)     |  |

PUENTE BASIN WATER AGENCY  
 STATEMENT OF CASH FLOWS  
 FY 2019-20

|  |  |                                  |  |                        |
|--|--|----------------------------------|--|------------------------|
|  |  |                                  |  |                        |
|  |  | Total Disbursements              |  | <u>(11,880,226.80)</u> |
|  |  | ENDING BALANCE DECEMBER 31, 2019 |  | \$ 1,004,750.00        |
|  |  |                                  |  |                        |
|  |  | LAIF                             |  | \$ 629,990.90          |
|  |  | Checking                         |  | \$ 374,759.10          |
|  |  | Total Cash Balance               |  | \$ 1,004,750.00        |



February 6, 2020

TO: Board of Commissioners  
FROM: Erik Hitchman, Administrative Officer  
RE: Review of Conflict of Interest Code and Determination of Possible Amendment

---

**Recommendation:**

That the Commission approve the modifications to the Agency's Conflict of Interest Code.

**Background Information:**

Staff and Legal Counsel reviewed the District's current code in conjunction the California Fair Political Practices Commission (CFPPC) information sheet at its August 9, 2018 meeting. This review found issues that require change(s) to the current Code, including the Disclosure Categories (Exhibit "A") and the Designated Positions (Exhibit "B") - attached.

The County is standardizing their filings and the Commission does have updates needed due to the categories changing. No direct effect will take place for the filing of the Statement of Economic Interest forms (Form 700).

***Attachments:***

- *PBWA Conflict of Interest Code - Proposed Code*

Conflict of Interest Code  
of the

**PUENTE BASIN WATER AGENCY ~~DISTRICT~~**

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 Board** Members, ~~Governing Board Members~~, Alternate **Commission Board** Members, as appropriate, and its **Administrative Officer** ~~agency head (Agency/Department Head, Executive Officer or Chief Executive Officer, Superintendent, or Director)~~, 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).

~~(6/02) (Rev.)~~

PROPOSED CODE

PUENTE BASIN WATER AGENCY ~~DISTRICT~~

EXHIBIT "A"

~~Types of business entities, business positions, investments, sources of income or real property reportable, according to disclosure categories set forth for the designated position as listed on Exhibit B.~~

**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 (NEW)**

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

**CATEGORY 3 (NEW)**

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

**CATEGORY 4 (NEW)**

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.

**CATEGORY 2**

~~Persons in this category shall disclose in accordance with this Code, all income from, and investments and business positions in businesses that produce products or provide services of a type utilized by the Agency including the following areas:~~

- ~~\_\_\_\_\_ 1. Office equipment and supplies~~
- ~~\_\_\_\_\_ 2. Banks and savings and loan institutions~~
- ~~\_\_\_\_\_ 3. Securities dealers and underwriters~~
- ~~\_\_\_\_\_ 4. Real property~~
- ~~\_\_\_\_\_ 5. Public utilities~~
- ~~\_\_\_\_\_ 6. Financial audit services~~
- ~~\_\_\_\_\_ 7. Insurance services~~
- ~~\_\_\_\_\_ 8. Computer equipment, services, and supplies~~

**PUENTE BASIN WATER AGENCY ~~DISTRICT~~**

**EXHIBIT "A" (CONTINUED)**

- ~~9. Printing, reproduction, or photographic equipment, services and supplies~~
- ~~10. Periodicals, books, newspapers~~
- ~~11. Chemicals~~
- ~~12. Motor vehicles and specialty vehicles, parts and supplies~~
- ~~13. Construction and maintenance equipment, services and supplies and building materials~~
- ~~14. Petroleum products~~
- ~~15. Transportation and lodging services~~
- ~~16. Safety equipment and supplies~~
- ~~17. Security services~~
- ~~18. Food services and supplies~~
- ~~19. Communication services~~
- ~~20. Water quality testing equipment, supplies and services~~
- ~~21. Cathodic protection equipment, services and supplies~~
- ~~22. Engineering services~~
- ~~23. Employment/temporary help agencies~~
- ~~24. Educational equipment, services and supplies~~
- ~~25. Medical supplies, services and informational materials~~
- ~~26. Landscape services and supplies~~
- ~~27. Typographical services~~
- ~~28. 4-color separations~~
- ~~29. General and specialty equipment rentals~~
- ~~30. Consulting Services: legal, energy and power, engineering, soils testing, water treatment, advertising, communications, design, art work, audio/visual, movie productions, planning, water pricing and demand, economists, desalting, environmental, appraisers, real estate sales, and investment services.~~

**CATEGORY 3**

~~Individuals who perform under contract the 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.~~

~~In addition, individuals who, under contract, participate in decisions which affect financial interests by providing information, advice, recommendation or counsel to the agency which could affect financial interests shall be required to file Statements of Economic Interests, unless they fall within the Political Reform Act's exceptions to the definition of consultant. The level of disclosure shall be as determined by the Secretary of the Agency.~~

PUENTE BASIN WATER AGENCY ~~DISTRICT~~

EXHIBIT “B”

Designated Positions

Disclosure Categories

|                                |                 |
|--------------------------------|-----------------|
| <del>Technical Committee</del> | <del>1, 2</del> |
| Commission Member/Alternate    | 1, 2, 3         |
| Administrative Officer         | 1, 2, 3         |
| Consultants/New Positions*     |                 |

\*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

~~Officials who Manage Public Investments~~

~~It has been determined that the positions listed below manage public investments and make disclosure pursuant to State Law.~~

~~Members of Board of Commissioners~~

~~Secretary~~

~~Consultant\*~~

- ~~• Individuals who, under contract, exercise primary responsibility for the management of public investments, as determined by the Secretary of the Agency.~~

~~AMENDED: 02/05/03~~

EFFECTIVE DATE:

# Reeb Government Relations, LLC

---

## MEMORANDUM

DECEMBER 2, 2019

**TO:** Erik Hitchman, Administrative Officer  
Puente Basin Water Agency

**FROM:** Bob Reeb and Raquel Ayala  
Reeb Government Relations, LLC

**SUBJECT:** 2019 Annual Report

It has been an honor and privilege to work with Puente Basin Water Agency this year on behalf of Palmdale Water District, Rowland Water District, Valley County Water District and Walnut Valley Water District (Districts). Collectively, the goal of state government representation is to advance the interests of the districts, their taxpayers and customers to support beneficial legislation and oppose mandates that impose burdens on the districts with little or no measurable benefit to urban retail water customers.

### State Budget

On Thursday, June 27, Governor Newsom signed a \$214.8 billion state budget that dedicated significant new spending for K-12 schools and healthcare, while setting aside an unprecedented amount of tax revenue for future economic slow-downs by adding billions of dollars to the state's reserve funds. The state's total rainy fund is now \$19 billion. The state avoided a return of surplus tax revenues to California taxpayers pursuant to the Proposition 4 Gann Limit (1979) by creating and funding additional reserve funds for schools and social services.

The legislature and new governor continued the recent trend of focusing state budget appropriations on disadvantaged community water and wastewater systems. The FY 2019-20 budget allocated \$1 million General Fund to the State Water Resources Control Board (State Water Board) for Interim Water Storage Tanks, Hauled Water, and Permanent Well Replacements/Repair, and \$2 million General Fund to cover planning costs for recovery from 2017 and 2018 wildfires. The budget also included \$10 million General Fund to provide emergency funding for water and wastewater service providers serving disadvantaged communities to (1) evaluate, address and repair the failure of critical components of a collection or treatment system; and (2) fund critical operation and maintenance

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activities that are cost prohibitive considering the population and median household income of the community served by the system. The budget also provides a one-time \$2.5 million in General Fund monies to the State Water Board to continue funding replacement and filling of temporary water tanks for households that have lost their water supply due to a dry well, and a total of \$12.5 million to address safe and clean drinking water in the San Joaquin Valley.

In terms of water supply and management, the budget appropriates \$70 million in state general obligation bond proceeds toward projects identified in voluntary agreements, including habitat restoration and scientific research; \$9.25 million to accelerate improvements in forecasting atmospheric rivers, the sporadic storms that recently have accounted for up to half of California's total annual precipitation; and \$235 million to implement the Wildfire and Recovery Legislative Package, which includes increasing the pace and scale of enhancing forest and watershed health.

The budget also appropriates \$130 million to clean up drinking water in some parts of the state. The administration had initially pushed for a new tax to fund clean drinking water, including fees and taxes on nitrogen fertilizer, dairies and confined animal feeding operations, but that plan was rejected by the Senate and ultimately abandoned in the budget compromise. The majority of the money comes from the Greenhouse Gas Reduction Fund, while the remaining \$30 million comes from the General Fund.

## **Water Tax**

Governor Newsom's Department of Finance released a budget trailer bill in May that would create a Safe and Affordable Drinking Water Fund, which would receive revenues from a tax on customers of urban retail water suppliers and taxes and fees on nitrogen fertilizer, dairies and confined animal feeding operations. Together, the fund would receive about \$130 million annually. The new trailer bill was similar to a budget trailer bill offered by the former Brown Administration and legislation authored by Senator Bill Monning (D-Carmel). Reeb Government Relations, on behalf of its clients, opposed those particular proposals and has consistently opposed the imposition of a tax (fee or public goods charge) since 2005 (for example, SB 623 and SB 845 by Senator Monning during the 2017-18 Regular Session of the Legislature).

There was a flurry of legislative activity early in the year separate and apart from the Newsom Administration proposal. Assembly Member Richard Bloom (D-Santa Monica) introduced AB 134 to accomplish the same purposes as the budget trailer bill. Bloom chairs the budget subcommittee with jurisdiction over drinking water. Assembly Member Eduardo Garcia (D-Coachella), who chairs the Assembly Water, Parks and Wildlife Committee, later amended his AB 217 to address the gap in safe drinking water funding. AB 217 would establish the Safe and Affordable Drinking Water Fund in the State Treasury. Moneys in the fund would be available to the State Water Resources Control Board, upon appropriation by the Legislature, for the purposes of providing a stable source of funding to secure access to safe drinking water for all Californians, while also ensuring the long-term sustainability of drinking water service and infrastructure. This legislation served as a placeholder for the imposition of a tax on urban retail water customers. The March 19, 2019 version of the Garcia bill included the creation of a trust fund being proposed by the Association of California Water Agencies (ACWA) as an alternative to the imposition of a tax on water.

In an effort to provide a better alternative to a water tax, the Association of California Water Agencies (ACWA) and the California Municipal Utilities Association (CMUA) sponsored, and Senator Anna Caballero (D-Salinas) introduced, Senate Bill 669 —The Safe Drinking Water Trust bill.

SB 669 would be funded with an infusion of General Fund dollars during a budget surplus year. The state would invest the principal, and the net income would provide the needed ongoing revenue stream for drinking water solutions in disadvantaged communities. The Districts joined the large coalition of supporters who believed the Trust was a better approach than a statewide water tax that would tax a resource that is essential to life and work against water affordability throughout the state.

The bill was last considered in the Senate Appropriations Committee on May 16 where it was held in committee and under submission.

Finally, Senator Monning introduced a new bill—SB 200, that also would create a Safe and Affordable Drinking Water Fund. The bill would authorize the State Water Board to provide for the deposit into the fund of federal contributions, voluntary contributions, gifts, grants, and bequests.

The Districts affirmed their opposition to a water tax and communicated their opposition directly to the Governor and its legislative delegation. The Districts also took an active role in supporting efforts by ACWA to pass SB 669 and oppose legislation that included a water tax. In their opposition to the water tax, the Districts clarified that they did not oppose the creation of a special fund to address the safe drinking water needs of communities served by public water systems that consistently fail to comply with safe drinking water laws and regulations, but rather the imposition of a water tax to pay for the needed capital facilities and operations and maintenance costs for these failing systems. Customers of the Districts would contribute significant monies each year to the Safe and Affordable Drinking Water Fund and receive no direct benefit in return. The loss of local water system revenue could negatively affect the Districts' ability to repair, rehabilitate and replace their own water system assets as well as to properly operate and maintain their water systems. The Districts, along with the ACWA coalition in opposition to a tax on water, argued that "with a record state budget surplus for the 2019-20 fiscal year, it is the perfect time to create and fund a Safe Drinking Water Trust as a durable funding solution."

Legislative review of the Governor's state budget occurred while the Legislature was considering the various legislative proposals, which complicated advocacy efforts. The Senate, under the leadership of President pro Tem Toni Atkins (D-San Diego), was the first to signal opposition to the imposition of a water tax. The Governor's budget trailer bill was rejected by Senate Budget Subcommittee #2 and instead, the Senate proposed to appropriate \$100 million from the General Fund to fund the Safe and Affordable Drinking Water program. This decision signaled the lack of a two-thirds majority in the Senate to approve a water tax. The Assembly, however, did not give up on the water tax and approved the Governor's budget trailer bill. The question of funding ended up in the two-house budget conference committee, where a compromise ultimately was reached on using proceeds from the Greenhouse Gas Reduction Fund to provide revenues annually to the Safe and Affordable Drinking Water Fund. SB 200 was amended following the June 27 enactment of the 2019-20 State Budget to provide the statutory framework for the expenditure of the drinking water fund.

In the first year, \$100 million of the funding will come from the Greenhouse Gas Reduction Fund (GGRF) and \$30 million from the General Fund. After the first year, SB 200 will provide that the

funding will be 5 percent of the GGRF continuously appropriated – capped at \$130 million per year. The agreement includes General Fund funding as a backstop if 5 percent of the GGRF is less than \$130 million in any year. The funding will sunset in 2030.

### **Districts Active on the Legislative Front**

The Districts actively monitored or engaged in direct lobbying on over 98 bills this year. The following highlights a handful of bills in which the Districts were active.

#### Accessory dwelling units: development fees

Several bills were introduced this year relating to the construction of accessory dwelling units following the enactment of similar laws over the past four years. ACWA and its members have engaged in hours of negotiations with authors and housing proponents and had previously on more than one occasion reached agreement as to the manner in which accessory dwelling units (ADUs) will be addressed by utility service providers. ACWA and Reeb Government Relations reached a compromise with ADU advocates that property-related fees and charges would not be imposed on a unit that is contained within the existing space of a single-family residence or accessory structure. However existing law allows a local agency to require a new or separate utility connection directly between an ADU and the utility where the ADU is not within the existing space of a single-family residence or accessory structure. Consistent with Section 66013 of the Government Code, the connection may be subject to a connection fee or capacity charge that shall be proportionate to the burden of the proposed accessory dwelling unit and reflect the reasonable cost of providing service, which reflects the requirements of Proposition 218.

Senate Bill 13, by Senator Bob Wieckowski (D-Fremont), sought to eviscerate the compromise reached in 2017 by prohibiting a local agency, special district, or water corporation from considering the ADU to be a new residential use for utilities, including water and sewer service. The Districts opposed the measure reminding legislators that Proposition 218 prohibits a local agency from shifting costs that cannot be collected from ADUs to other customers and development projects. Stable and predictable revenues are relied on to build capacity in water and sewer systems and to operate, maintain, repair and replace water and sewer facilities. Relieving ADUs from paying their fair share of costs related to utility service will harm the financial position of local agency utility service providers.

The bill was amended on July 1 addressing the Districts concerns with the bill by restoring the authority of utilities to charge connection fees and capacity charges.

Governor Newsom signed SB 13 into law on October 9. (Chapter No. 653, Statutes of 2019)

#### Accessory dwelling units: area designation

The Planning and Zoning Law provides for the creation of accessory dwelling units by local ordinance, or, if a local agency has not adopted an ordinance, by ministerial approval, in accordance with specified standards and conditions. Existing law requires the ordinance to designate areas where accessory dwelling units may be permitted and authorizes the designated areas to be based on *criteria that includes, but is not limited to*, the adequacy of water and sewer services and the impact of accessory dwelling units on traffic flow and public safety.

AB 881, by Assembly Member Richard Bloom (D-Santa Monica) would instead require a local agency to designate these areas based on the adequacy of water and sewer services and the impact of accessory dwelling units on traffic flow and public safety by deleting the phrase "criteria that includes, but is not limited to". This legislation also clarifies the phrase "within the existing space of a single family residence or accessory structure" so that the ADU would be within an existing structure, including, but not limited to, the primary residence, a studio, garage, pool house, or other similar structure. Reeb Government Relations, in reviewing the legislation, noted that existing law authorized cities and counties to change land use zoning to accommodate ADUs and determine whether adequate water and sewer capacity was present to support the zoning change. The lobbying firm developed a solution to those localities in which a special district provides the water and sewer services. The Districts authorized a support if amended position on the bill if the bill was amended to include a sentence at the end of subparagraph (A) of paragraph (1) of subdivision (a) of Section 65852.2 of the Government Code to read:

*"A local agency that does not provide water or sewer services shall consult with the local service provider regarding adequacy of service before designating an area where accessory dwelling units may be permitted."*

The Districts understand the benefit zoning for accessory dwelling units (ADUs) may provide in the effort to ensure an adequate supply of affordable housing. In general, however, water pipelines, tanks, pump stations, pressure reducing stations and appurtenances have been sized to handle the demand on the system based on existing areas zoned to allow single-family or multifamily use. Water system capacity is based on peak hour demand, the maximum daily demand plus fire flow, and storage tank refill, if required. The addition of a significant number of ADUs within an existing residential area could result in water system pressure loss and jeopardize the ability to fight structure fires.

The bill was amended on August 12 to include the language requested by the Districts. By adding this sentence to the bill, AB 881 ensures that cities and counties that do not provide water and wastewater services will have practical information when making ADU zoning designations.

Governor Newsom signed AB 881 into law on October 9. (Chapter No. 659, Statutes of 2019)

#### Public utilities: wildfires and employee protection

The California Constitution establishes the Public Utilities Commission (CPUC or Commission) and authorizes the commission to exercise ratemaking and rulemaking authority over all public utilities under its jurisdiction, subject to control by the Legislature. The Public Utilities Act authorizes the commission to supervise and regulate every public utility and to do all things that are necessary and convenient in the exercise of such power and jurisdiction. The Public Utilities Act defines "public utility" to include every common carrier, toll bridge corporation, pipeline corporation, gas corporation, electrical corporation, telephone corporation, telegraph corporation, water corporation, sewer system corporation, and heat corporation, where the service is performed for, or the commodity is delivered to, the public or any portion thereof, and "water corporation" to include every corporation or person owning, controlling, operating, or managing any water system for compensation within this State.



AB 1054, by Assembly Member Chris Holden (D-Pasadena), which as introduce sought to add specific qualifications that must be possessed by the chief internal auditor of the California Public Utilities Commission (CPUC) was gutted and amended on June 27 to expand the CPUC's jurisdiction over publicly owned water utilities and water districts. More specifically, Section 5, subdivision (f) of the June 27 amended bill version authorized the Wildfire Safety Division, which will be established within the CPUC, to *"review, as necessary, in coordination with the California Wildfire Safety Advisory Board and necessary commission staff, safety requirements for infrastructure operated by telephone corporations, water corporations, local public owned water utilities, and water districts, and provide recommendations to the commission to address the dynamic risk of climate change to mitigate wildfire risk."*

The Districts quickly voiced their opposition to the inclusion of publicly owned water utilities and water districts into subdivision (f) of Section 5 of the bill as the Districts do not support giving the CPUC oversight authority over their safety requirements. The Districts argued that under current law local agencies are overseen by a directly elected board of directors who are accountable to their local taxpayers and ratepayers. Local agencies are not regulated by CPUC and AB 1056 should not alter existing law regarding this fundamental separation between the regulation of water corporations and local agencies.

The Districts removed their opposition to the bill based on the July 5, 2019 amended version which deleted from the bill references to local publicly owned water utilities and water districts.

The bill needed a two-thirds vote to pass. AB 1054 passed the Senate on July 8 with a 31-7 vote, and the Assembly on a 63-10 vote on July 11. Governor Newsom signed AB 1054 into law on July 12. (Chapter No. 79, Statutes of 2019)

### California Environmental, Public Health, and Workers Defense Act of 2019

Legislation that threatened water supply reliability for millions of Californians and jeopardized efforts to improve the environmental health of the Sacramento and San Joaquin River watersheds remained active in the final weeks of the legislative session.

SB 1, authored by Senate President pro Tem Toni Atkins (D-San Diego), sought to enact state law to codify not only federal statutes and regulations, but individual permit conditions and decade old biological opinions governing water project operations in the Sacramento-San Joaquin Delta. Opponents of the legislation, including Palmdale Water District, Puente Basin Water Agency, Rowland Water District, Valley County Water District, and Walnut Valley Water District, argued that SB 1, if enacted, would create chaos in California water management and could prevent the Newsom Administration from using the best available science to improve conditions for at-risk fish species in the Delta under the Porter-Cologne Water Quality Control Act, the California Endangered Species Act, and other state environmental laws.

The Districts were concerned about a provision in SB 1 that threatened progress to implement voluntary agreements to provide additional river flows and fund new habitat and ecosystem restoration efforts. The California Natural Resources Agency is leading the effort to negotiate voluntary agreements among water agencies, state and federal agencies, and environmental groups. The goal of these agreements is to improve habitat and flows for fish in the Delta while maintaining

water supply reliability for Southern California, the Bay Area, and Central Valley agriculture. The agreements are premised on using science to adaptively manage the watershed overtime, and require funds from the State Water Project and other water users to support the science and habitat activities. If successful, these agreements would be historic putting an end to conflict in the Delta and provide new funding and water to meet the watershed's environmental needs. The Districts joined other organizations and individual water districts across California in opposing SB 1 unless the provision of the bill was removed.

Despite opposition efforts, SB 1 cleared both houses of the legislature on the final night of the legislative session. The Districts and others asked the Governor to veto SB 1, and on September 27, Governor Newsom returned SB 1 to the Senate without his signature. In his veto message, the Governor stated:

*"This bill would enact the California Environmental, Public Health, and Workers Defense Act of 2019 with the intent of ensuring that protections afforded under federal environmental and labor laws and regulations as of January 2017, could remain in place in the event of federal regulatory changes. California is a leader in the fight for resource, environmental, and worker protections. Since 2017, the federal government has repeatedly tried to override and invalidate those protections, and each time, the state has aggressively countered - taking immediate legal action and deploying every tool at the state's disposal to safeguard our natural resources, environmental protections and workers. No other state has fought harder to defeat Trump's environmental policies, and that will continue to be the case. While I disagree about the efficacy and necessity of Senate Bill 1, I look forward to working with the Legislature in our shared fight against the weakening of California's environmental and worker protections."*

### **The Challenge that Lies Ahead**

The nearly three-fourths majority held by the Democratic Party in the California Legislature has changed the political and policy dynamics in Sacramento. While it remains possible with a diligent effort to defeat contentious legislation, it falls to securing amendments more often than not to blunt the negative effects of legislation. Governor Newsom, a self-avowed progressive, demonstrated a willingness to push back against the Legislature on a number of bills this year, SB 1 being one such bill, and this provides some hope that common sense consideration and evaluation of the pros and cons of legislation may be expected in the Governor's office.

The Districts commit time and resources to policy engagement in Sacramento. Our firm believes the level of commitment is not only warranted, but essential to protecting the Districts, and their customers and taxpayers, against the whims of legislators and interest groups who believe in greater centralization of control over water supply and management. We will continue to work with State Water Contractors, Association of California Water Agencies and other state-level water resources organizations to amplify the interests and positions of the Districts. And, we will continue to coordinate our advocacy efforts in Sacramento with a complementary effort involving Districts' direct contact with their local members of the Legislature.



February 6, 2020

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

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**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 |
|---|--------------|--|---|-----------|
| Consider Authorization of the 20" Water Transmission Main (P.N. PB17-0004) - Change Order No. 1 | 10/12/19     | Approved the 20" Water Transmission Main (P.N. PB17-0004) - Change Order No. 1 | 1/24/2020: Received executed Change Order No. 1 | Complete  |