

MINUTES
REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
WESTERN MUNICIPAL WATER DISTRICT

February 1, 2017

CALL TO ORDER / PLEDGE OF ALLEGIANCE

The Regular Meeting of the Board of Directors of Western Municipal Water District was called to order at 9:30 a.m. and Director Lopez led the Pledge of Allegiance to the flag.

Directors Present

Tom Evans, Presiding
Brenda Dennstedt, Vice President (arrived 9:33 a.m.)
Robert Stockton, Secretary-Treasurer (arrived 9:37 a.m.)
Donald D. Galleano
S. R. "Al" Lopez

Others Present

John Rossi, General Manager
Craig Miller, Deputy General Manager
Rod LeMond, Assistant General Manager/CFO
Kevin Mascaro, Director of Finance
Greg Duecker, Director of Administration
Tim Barr, Director of Water Resources
Candi Judd, Director of Human Resources
Paul Ruge, Director of Operations
Derek Kawaii, Director of Engineering
Ryan Shaw, Deputy Director of Water Resources
Veronica Zheng, Accounting Manager
Karly Gaynor, Water Planning and Policy Manager
Tom Thornton, Principal Engineer
Brenda Meyer, Principal Engineer
Rachel McGuire, Public Information Officer
Michele McKinney, Special Projects Coordinator
Michael Hadley, Government Affairs Officer
Kristian Roman George, Accountant Sr.
Lisa Dougherty, Accountant Sr.
Jean Perry, Executive Assistant
Steve, Gustafsson, IT Specialist III
Jeff Ferre, Best, Best and Krieger
David DiRienzo, Standard Portfolios
Stephanie Castle Zinn, Fuscoe Engineering
Brad Sackett, Albert A. Webb Associates
Norberto Perez, Box Springs Mutual Water Company
John Zimmerman, PDM Partners
Michelle Diamond, Tetra Tech
Darren Chin, Standard Portfolios

ORAL COMMUNICATIONS

Any person may address the Board upon any subject within Western's jurisdiction, which is not on the agenda, at this time. However, any non-agenda matter that requires action will be referred to staff for a report and action at a subsequent Board meeting. Any person may also address the Board on any agenda matter at the time that matter is discussed, prior to Board Action.

The following individual spoke during Oral Communications:

Norberto Perez

M-6623 – Approval of Consent Calendar

It was moved by Director Lopez, seconded by Director Dennstedt to approve the Consent Calendar. As a result, the following Consent Calendar items were approved:

- A) Approve Directors' Requests for Compensation
- B) Approve Regular Board Minutes, January 18, 2017
- C) Consider Approval of a Revised Joint Community Facilities Agreement with Murrieta Valley Unified School District
- D) Receive and File Murrieta Community Facilities Districts' Fiscal Year 2015-2016 Audit Reports
- E) Consider Adoption of Resolution 2975 Designating Pacific Premier Bank as the District's Depository Institution for the Funds of Community Facilities Districts and Identifying Signature Authority for Pacific Premier Bank
- F) Receive and File Cash Disbursement Reports, December 2016
- G) Receive and File Government Code Section 53065.5 Disclosure Report, December 2016
- H) Receive and File Investment Report, December 2016
- I) Budget vs. Actual Report through October 2016
- J) Consider Appointment of a Director as an Alternate Representative to the Regional Advisory Committee

Motion carried 4-0 with Director Stockton absent.

- END OF CONSENT CALENDAR -

M-6624 – Receive and File Fiscal Year 2015-2016 Comprehensive Annual Financial Report

Assistant General Manager/Chief Financial Officer Rod LeMond provided a brief summary of the contents of the Fiscal Year 2015-2016 Comprehensive Annual Financial Report. He then introduced Nitin P. Patel, CPA, Audit Partner and Director of Audit and Assurance Department of White Nelson Diehl Evans who made a presentation on the Independent Auditor's Report. Following a full discussion and consideration of this matter by the Board, a motion was made by Director Galleano, seconded by Director Lopez to receive and file the Comprehensive Annual Financial

Report, which includes the Independent Auditors' Report for Fiscal Year 2015-2016.
Motion carried 5-0.

M-6625 - Consider Adoption of Resolution 2973 Approving a Water Supply Assessment for University Highlands Project

General Manager John Rossi provided a brief overview of the item, noting that there was a minor non-substantive change to the staff report. He then introduced Water Planning and Policy Manager Karly Gaynor who made a presentation providing details of the Water Supply Assessment for the University Highlands Project. Following a full discussion and consideration of this matter by the Board, a motion was made by Director Galleano, seconded by Director Stockton to adopt Resolution 2973 approving the Water Supply Assessment for the University Highlands Project. Motion carried 5-0.

M-6626 – Consider Awarding Construction Contract for the La Sierra Pipeline Project Specification No. W-238A

Director of Engineering Derek Kawaii made a presentation on the La Sierra Pipeline Construction and Support Contracts. He then introduced Dustin Do, Public Works Estimator for W. A. Rasic Construction Company, Incorporated who provided details of the proposed contract. Following a full discussion and consideration of this matter by the Board, a motion was made by Director Galleano, seconded by Director Stockton to:

1. Approve an increase of the La Sierra Pipeline project budget by \$11,400,000 from \$2,645,514 to \$14,045,514, under Water Resource Development Fund 107, in accordance with the Board approved Capital Spending Plan for Fiscal Year 2016-2017;
2. Award the La Sierra Pipeline construction contract to W. A. Rasic Construction Company, Incorporated, in the amount of \$10,425,000; and
3. Authorize the General Manager to execute the construction agreement with W. A. Rasic Construction Company, Incorporated.

Motion carried 5-0.

M-6627 – Consider Awarding Construction Labor and Disadvantaged Business Enterprise Compliance Services Contract for the La Sierra Pipeline (W-238A) and Sterling Pump Station and Reservoir (W-238B)

Following a full discussion and consideration of this matter by the Board, a motion was made by Director Galleano, seconded by Director Stockton to:

1. Award the La Sierra Pipeline and Sterling Pump Station and Reservoir Construction Labor and Disadvantaged Business Enterprise Compliance Services contract to Wallace and Associates Consulting, Incorporated, for the amount of \$43,014; and

2. Authorize the General Manager to execute a Construction Labor and Disadvantaged Business Enterprise Compliance Services agreement with Wallace and Associates Consulting, Incorporated.

Motion carried 5-0.

M-6628 – Consider Amending the Engineering Services Contract with Albert A. Webb Associates for the La Sierra Pipeline Project

Following a full discussion and consideration of this matter by the Board, a motion was made by Director Galleano, seconded by Director Stockton to:

1. Approve an increase of the La Sierra Pipeline project budget by \$11,400,000 from \$2,645,514 to \$14,045,514, under Water Resource Development Fund 107, in accordance with the Board approved Capital Spending Plan for Fiscal Year 2016-2017;
2. Award the La Sierra Pipeline construction contract to W. A. Rasic Construction Company, Incorporated, in the amount of \$10,425,000; and
3. Authorize the General Manager to execute the construction agreement with W. A. Rasic Construction Company, Incorporated.
4. Approve an increase, in the amount of \$493,531, to the Engineering Services Contract with Albert A. Webb Associates, bringing the total contract amount to \$2,006,957; and
5. Execute a Second Amendment to the Engineering Services Contract with Albert A. Webb Associates for the La Sierra Pipeline (LSP) project.

Motion carried 5-0.

M-6629 – Consider Public Hearing to Adopt Ordinance 387 Revising Regulations for Wastewater Discharge and Sewer Use, and Adopt Western Municipal Water District's Pretreatment Program Enforcement Response Plan

General Manager John Rossi explained that this item was to conduct a public hearing in regard to the adoption of Ordinance 387, revising regulations for wastewater discharge and sewer use and to adopt Western Municipal Water District's Pretreatment Program Enforcement Response Plan. Mr. Rossi then introduced Principal Engineer Brenda Meyer who provided details of the proposed Ordinance 387 and Western's Pretreatment Program Enforcement Response Plan.

President Evans then stated that this is the time and place set for the public hearing regarding the Western Municipal Water District Ordinance 387.

Mr. Rossi said that the Notice of the hearing for adoption of Ordinance 387 has been properly given, noting that the Proof of Publication shows that the notice was published in

The Press-Enterprise, a newspaper of general circulation in Riverside County, on December 9 and December 15, 2016.

President Evans said that the documents are ordered received and filed.

Mr. Rossi explained that the Board is being asked to adopt the proposed Ordinance 387. The proposed Ordinance contains updates and revisions that make it substantially similar to the Western Riverside County Regional Wastewater Authority's Ordinance 2016-OR8.

President Evans announced that the public hearing is now open, and asked if there was anyone in the audience that wished to speak on this issue? Being as there was no one who wished to speak, President Evans declared the public hearing closed and said that the matter is now before the Board for discussion.

Following a full discussion and consideration of this matter by the Board, a motion was made by Director Galleano, seconded by Director Stockton to:

1. Adopt Ordinance 387 revising Regulations for Western Municipal Water District wastewater discharges to the Western Riverside County Regional Wastewater Authority (WRCRWA); and
2. Adopt Western Municipal Water District Pretreatment Program Enforcement Response Plan.

A Roll Call Vote was taken and the Motion carried 5-0.

General Counsel Report

Legal Counsel Jeff Ferre briefed the Board on the background and legal requirements for a closed session that is scheduled to be placed on the agenda for the upcoming Board meeting. Legal Counsel explained that Government Code Section 54956.96 provides for closed sessions at the member agency level to obtain information from the member agency's representative to a joint powers authority. It was explained that based on that authority, a closed session item is scheduled to be placed on the agenda at the next Board meeting involving a conference with legal counsel involving Santa Ana Watershed Project Authority, a joint powers agency, which meets the criteria for such a closed session under Government Code Section 54956.96.

With approval from the Board, the Closed Session Items were moved to this place on the agenda.

Closed Session

At 10:24 a.m. President Evans announced that the Board would go into Closed Session on Agenda Items 8-B through 8-E.

- A) CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to paragraph (2) and (4)
of subdivision (d) of Government Code Section 54956.9
Two potential cases
- B) CONFERENCE WITH LABOR NEGOTIATORS
Closed Session pursuant to Government Code Section 54957.6
District designated representatives: John Rossi, General Manager, Candi Judd,
Director of Human Resources, Brad Neufeld, Labor Counsel
Employee organization: Management/professional/confidential employees
- C) CONFERENCE WITH LABOR NEGOTIATORS
Closed Session pursuant to Government Code Section 54957.6
District designated representatives: John Rossi, General Manager, Candi Judd,
Director of Human Resources, Brad Neufeld, Labor Counsel
Employee organization: Western Municipal Water District Employees Association
- D) CONFERENCE WITH LABOR NEGOTIATORS
Closed Session pursuant to Government Code Section 54957.6
District designated representatives: John Rossi, General Manager, Brad Neufeld,
Labor Counsel
Unrepresented employee: Deputy General Manager
- E) CONFERENCE WITH LABOR NEGOTIATORS
Closed Session pursuant to Government Code Section 54957.6
District designated representatives: John Rossi, General Manager, Brad Neufeld,
Labor Counsel
Unrepresented employee: Assistant General Manager/Chief Financial Officer

The Board came out of Closed Session and reconvened into Open Session at 11:06 a.m. General Manager John Rossi said there was direction given to staff, but no reportable action on Agenda Items 8-B, through 8-E. The Board did not go into Closed Session on Agenda Item 8-A, two potential cases.

Staff Reports

General Manager John Rossi and staff reported on the following:

- Provided a report on Metropolitan Water District's Preferential Rights to Purchase Water dated June 30, 2016
- Notices for the March 15, 2017 public hearing on proposed rates have been mailed out to Western's customers

SAWPA Report

Director Evans said there was nothing to report today.

MWD Report

Director Galleano provided a briefing of the Metropolitan Water District Colorado River Aqueduct Inspection Trip that was held from January 27-28, 2017.

CBWM Report

Director Galleano reported that there was a rotation of the officers and James Curatalo, Jr. will serve as the Chair.

CDA Report

President Lopez said there was nothing to report today.

WRCRWA Report

Director Lopez said there was nothing to report today.

WRCOG Report

Director Dennstedt said there was nothing to report today.

SRRRA Report

Director Dennstedt said there was nothing to report today.

Directors' Reports

Director Stockton provided a report on the Regional Advisory Committee matters.

Director Lopez thanked General Manager John Rossi for the distribution of the GM Report.

Adjourn

There being no further business to come before the Board, at 11:17 a.m. President Evans adjourned the Regular Board Meeting of Western Municipal Water District.


THOMAS P. EVANS
President


ROBERT STOCKTON
Secretary-Treasurer