

MINUTES
REGULAR BOARD MEETING
of the
WEST VALLEY WATER DISTRICT
February 4, 2021

Attendee Name	Present	Excused	Absent
Board of Directors			
Channing Hawkins	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Michael Taylor	<input checked="" type="checkbox"/> remote	<input type="checkbox"/>	<input type="checkbox"/>
Kyle Crowther	<input checked="" type="checkbox"/> remote	<input type="checkbox"/>	<input type="checkbox"/>
Clifford Young	<input checked="" type="checkbox"/> remote	<input type="checkbox"/>	<input type="checkbox"/>
Gregory Young	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Staff			
Shamindra Manbahal	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Van Jew	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Naseem Farooqi	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Haydee Sainz	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Peggy Asche	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Linda Jadeski	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jon Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Joanne Chan	<input checked="" type="checkbox"/> remote	<input type="checkbox"/>	<input type="checkbox"/>
Albert Clinger	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jose Velasquez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rosa Gutierrez	<input checked="" type="checkbox"/> remote	<input type="checkbox"/>	<input type="checkbox"/>
Telat Yalcin	<input checked="" type="checkbox"/> remote	<input type="checkbox"/>	<input type="checkbox"/>
Legal Counsel			
Robert Tafoya	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

OPENING CEREMONIES

- Call to Order
- Pledge of Allegiance - Led by Director Greg Young.
- Opening Prayer - Led by Pastor Carlo Mendoza, Sunrise Church
- Roll Call of Board Members

ADOPT AGENDA

Director Greg Young motioned to adopt the Agenda and Vice President Kyle Crowther second the motion. Hearing no discussion, the following vote was taken:

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RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Gregory Young, Director
SECONDER:	Kyle Crowther, Vice President
AYES:	Channing Hawkins, Michael Taylor, Kyle Crowther, Clifford Young, Gregory Young
NAYS:	None

PUBLIC PARTICIPATION

Mr. Naseem Farooqi, Public Affairs Manager, reported that there were no email comments and inquired if the public via Zoom would like to speak. Director June Hayes, San Bernardino Valley Municipal Water District addressed the Board. There were no other comments via Zoom.

At this time, President Hawkins thanked all his colleagues and members of the public for participating and for their service. There is a very important presentation by the Pun Group tonight. As you know, the District has been under scrutiny regarding financial practices as well as other practices. However, over the past year, the District has made significant strides moving forward and has made progress towards being a higher functioning agency. The Pun Group tonight will have an open discussion about where the District is as an agency.

PRESENTATION

- **Fiscal Year 2019/20 Audit Report by the Pun Group.**

Mr. Kenneth Pun, Managing Partner with the Pun Group presented a PowerPoint presentation on the fiscal year end June 30, 2020 statement. Based on all audit procedures performed the results were determined that the Pun Group did not have any internal control issues during the 2020 fiscal year audit. There were no problematic or questionable issues with management, accounting, or other inappropriate activities. As the District is aware, in 2019 there were several deficiency audit findings. Mr. Pun stated that Management has taken our recommendations seriously and addressed all the issues identified in the 2019 audit, which has significantly improved and strengthened the internal controls at the District. This concluded Mr. Pun's presentation and he asked if there were any questions. Director Greg Young had no questions; however, he thanked staff for all their hard work on receiving these recommendations. Director Dr. Clifford Young commended the audit group and especially the management team on this report tonight. Particularly the no findings which is different from the last report. Vice President Crowther also stated that he is very happy with the outcome of the audit report and thanked the Pun Group and staff for the hard work in receiving such a good report.

- **Fiscal Year 2020/21 Mid-Year Budget.**

Mr. Shamindra Manbahal, Acting General Manager, presented the mid-year budget update to the Board, rate payers and staff stating that they began the process last week and went through every budget line item with all departments. There were some internal adjustments made collectively. From there it was presented to the Finance Committee and Engineering, Operations and Planning Committee as well as a lengthy discussion with the Executive Committee regarding the mid-year update before presenting it tonight. Mr. Manbahal stated

that he is happy to report that with the Board of Directors leadership, the adoption of the Reform Plan and the push for transparency and accountability, the District has made tremendous improvements. The purpose of the mid-year budget review is an essential element in maintaining financial stability. At this mid-year the District's revenues are approximately \$17 million, and expenditures are approximately \$13 million with all debt services covered. CIP funds have \$16.4 million available and are restricted for capacity related projects. Other capacity related projects above that amount would be funded with reserves. The overall mid-year budget review is positive, and revenues are expected to outperform original budget estimates. If the District stays the course and remains fiscally conservative, CIP projects will be funded by operating revenues and not reserves. Mr. Manbahal asked if there were any questions. Director Dr. Clifford Young inquired about the UTC reimbursements and Mr. Manbahal stated that the District is through the 3rd quarter; however, due to the Plant being offline the District did lose about one quarter of the reimbursements. But now that the Plant is back online the District is hoping to have a better accounting of it by the end of the year. President Hawkins thanked Van Jew and the team for getting the Plant back up and running. Director Greg Young thanked Mr. Manbahal and the entire team for helping keep the costs in line. President Hawkins also commended the team stating that the District is in a stronger financial position than they were in February 2020.

CONSENT CALENDAR

Director Dr. Michael Taylor motioned to adopt the Consent Calendar; however, Board Secretary Peggy Asche stated that a correction was required to the December 17, 2020 minutes to include Van Jew in attendance and Joanne Chan as attending remotely. Director Dr. Clifford Young requested to pull Item No. 6 for separate discussion. Hearing no further discussion, Director Dr. Michael Taylor motioned to amend the Consent Calendar as stated and Vice President Kyle Crowther second the motion. The following vote was taken:

RESULT:	ADOPTED [4 TO 1]
MOVER:	Michael Taylor, Director
SECONDER:	Kyle Crowther, Vice President
AYES:	Channing Hawkins, Michael Taylor, Kyle Crowther, Gregory Young
NAYS:	Clifford Young

1. NOVEMBER 19, 2020 - REGULAR BOARD MEETING MINUTES.
2. DECEMBER 3, 2020 – REGULAR BOARD MEETING MINUTES.
3. DECEMBER 17, 2020 – REGULAR BOARD MEETING MINUTES.
4. JANUARY 14, 2021 – SPECIAL BOARD MEETING MINUTES.
5. RECEIVE AND FILE FISCAL YEAR 2019-20 CAFR.
6. APPROVAL OF PAYMENT TO LEAL TREJO, FOR PROFESSIONAL SERVICES RENDERED IN AUGUST, SEPTEMBER, OCTOBER 2020, INVOICE NO'S 18135, 18198, 18201; TOTALING \$52,880.00.

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7. APPROVAL OF PAYMENT TO IVIE MCNEILL WYATT PURCELL & DIGGS, FOR PROFESSIONAL SERVICES RENDERED IN AUGUST, SEPTEMBER, OCTOBER 2020, INVOICE NO'S 743668, 743669, 743670, 743671, 743672; TOTALING \$8,840.00.
8. APPROVAL OF PAYMENT TO LIEBERT CASSIDY WHITMORE, FOR PROFESSIONAL SERVICES RENDERED IN DECEMBER 2020, INVOICE NO. 1513119; \$1,634.00.

BUSINESS MATTERS

6. APPROVAL OF PAYMENT TO LEAL TREJO, FOR PROFESSIONAL SERVICES RENDERED IN AUGUST, SEPTEMBER, OCTOBER 2020, INVOICE NO.'S 18135, 18198, 18201; TOTALING \$52,880.00

Director Greg Young motioned to approve payment to Leal Trejo for professional services rendered in August, September and October 2020 and Director Dr. Michael Taylor second the motion. Hearing no discussion, the following vote was taken:

RESULT:	APPROVED [4 TO 1]
MOVER:	Gregory Young, Director
SECONDER:	Michael Taylor, Director
AYES:	Channing Hawkins, Michael Taylor, Kyle Crowther, Gregory Young
NAYS:	Clifford Young

9. APPROVAL OF THE FISCAL YEAR 2020-21 MID-YEAR BUDGET.

Director Greg Young motioned to approve this item and Director Dr. Clifford Young second the motion. Hearing no discussions, the following vote was taken:

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Gregory Young, Director
SECONDER:	Clifford Young, Director
AYES:	Channing Hawkins, Michael Taylor, Kyle Crowther, Gregory Young, Clifford Young
NAYS:	None

10. ADOPT RESOLUTION NO. 2021-1, CHANGING THE GENERAL DISTRICT ELECTION DATE FROM NOVEMBER OF ODD-NUMBERED YEARS TO THE STATEWIDE GENERAL ELECTION IN NOVEMBER OF EVEN-NUMBERED YEARS, COMMENCING WITH THE NOVEMBER 2022 ELECTION, IN ORDER TO COMPLY WITH SB 415.

Director Greg Young motioned to adopt this item with the following amendment to change the District election date from November of odd-numbered years to the Statewide Primary election in even-numbered years, commencing with the June 2022 election, in order to comply with SB 415 and Director Dr. Michael Taylor second the motion. Hearing no discussions, the following vote was taken:

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Gregory Young, Director
SECONDER:	Michael Taylor, Director
AYES:	Michael Taylor, Kyle Crowther, Clifford Young, Gregory Young
NOES:	None
ABSTAIN:	Channing Hawkins

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

1. Board Members

- Director Greg Young echoed his comments to Mr. Shamindra and the team regarding the budget and especially thanked Jose Velasquez, Accounting Manager, for providing the revenue worksheet.
- President Hawkins announced that there will be a State of the District scheduled for February 26, 2021. It will be an online opportunity to inform the community about what has been happening at the District. Also, there is an IEWORKS Virtual Summit scheduled for March 1, 2021, which is a water career program training that the District was able to secure over one million dollars of grant funding. It is a regional based water program with other water agencies joining.

2. General Manager

- Mr. Manbahal thanked staff for helping with an emergency last Friday and keeping him informed. There was smoke inside the District offices which later discovered the source was a freon gas line leak coming into the building. It was a good testament for teamwork and accountability.

A monthly report was emailed to all Board of Directors encompassing all ongoing activities that occurred from each department during the month of January. With the help of Naseem Farooqi, Public Affairs Manager, he felt that this would be a great way to communicate to the Board in keeping with the Reform Plan that was adopted. This is another testament for collaboration, teamwork, good direction, and leadership.

President Hawkins commended Mr. Manbahal and staff for preparing this monthly report to ensure communication with the Board of Directors on behalf of the entirety of the District it says a lot about your leadership and approach.

3. Legal Counsel

- Mr. Robert Tafoya reported out of Closed Session that there were no reportable actions taken.

CLOSED SESSION

Mr. Robert Tafoya reported out of Closed Session that there were no reportable actions taken.


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- CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: Number of Cases: Three (3).
- INITIATION OF LITIGATION PURSUANT TO Government Code Section 54956.9(c).
- CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION - Naisha Davis v. West Valley Water District et al. Case No. 20 STCV0323.
- CONFERENCE WITH LEGAL COUNSEL - PUBLIC EMPLOYEE APPOINTMENT - Pursuant to Government code Section 54957, Title(s): Interim General Manager.
- CONFERENCE WITH LABOR NEGOTIATOR (54957.6) DISTRICT NEGOTIATORS; Shamindra Manbahal, Robert Tafoya, Union Negotiators; re: International Union of Operating Engineers, Local 12.

ADJOURN

Hearing no further business, the meeting adjourned at 8:20 p.m.



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

ATTEST:



Peggy Asche, Board Secretary