

**MINUTES**  
**REGULAR BOARD OF DIRECTORS MEETING**  
**THREE VALLEYS MUNICIPAL WATER DISTRICT**

**Wednesday, January 6, 2016**  
**8:00 a.m.**

**1. Call to Order**

The Board of Directors meeting of Three Valleys Municipal Water District was called to order at 8:00 a.m. at the District office located at 1021 East Miramar Avenue, Claremont, California. The presiding officer was President Bob Kuhn.

**2. Pledge of Allegiance**

The flag salute was led by President Kuhn.

**3. Roll Call**

Roll call was taken with a quorum of the Board present. Director Lantz was absent from the roll call.

**Directors Present**

Bob Kuhn, President  
David De Jesus, Vice President  
Joseph Ruzicka, Treasurer  
Brian Bowcock, Secretary  
Dan Horan, Director  
Carlos Goytia, Director  
Fred Lantz, Director

**Directors Absent**

none

**Staff Present**

Rick Hansen, General Manager  
Steve Kennedy, General Counsel  
Liz Cohn, Sr. Financial Analyst  
Ray Evangelista, Engineer  
Vicki Hahn, Executive Assistant  
Kirk Howie, Assistant GM-Administration  
Steve Lang, Water Operations Manager  
James Linthicum, Chief Finance Officer  
Ben Peralta, Project Manager  
Esther Romero Accounting Technician

Guests and others present: Tom Coleman, Rowland Water District; Director Ted Ebenkamp, Walnut Valley Water District; Director Ed Hilden, Walnut Valley Water District; Erik Hitchman, Walnut Valley Water; Director Tony Lima, Rowland Water District; Jaden Love, City of Glendora Intern; Dean McHenry, League of Women Voters; Rich Nagel, West Basin MWD; Judy Nelson, Glendora City Council; Fernando Paludi, West Basin MWD; Darron Poulsen, City of Pomona; Dave Warren, Rowland Water District

**4. Additions to Agenda**

President Kuhn inquired if there were any additions to the published agenda. Staff did not have any additions to the published agenda.

## **5. Reorder Agenda**

President Kuhn inquired if there was a need to reorder the agenda. Staff did not have any reason to reorder the agenda.

## **6. Public Comment**

President Kuhn inquired if there were any requests for public comment. There were no requests for public comment.

## **7. Presentation – Richard Nagel, General Manager, West Basin MWD**

General Manager Rick Hansen introduced Mr. Nagel who was present, along with his colleague Mr. Fernando Paludi, to provide a presentation to the Board on West Basin's current ocean desalinization program. The Board was also provided an update on their Direct Potable Water Reuse Program.

Mr. Nagel responded to questions from the Board related to the presentation and potential Title 16 reform.

## **8. General Manager's Report**

### **8A – Administration**

#### **8.A.1. Resolution No. 16-01-\*\*\* Declaring Certain District Property As Surplus**

The Board reviewed draft Resolution No. 16-01-\*\*\* declaring certain District property as surplus. As shown on Exhibit A, the District has a 1995 Ford F250 truck that is inoperable. The District is seeking to surplus this item at salvage value in accordance with the procedures outlined in Resolution No. 11-04-488.

Director Bowcock discussed the automotive program at the Learning Center at CTEC and inquired whether the District may be in a position to donate the surplus vehicle. Legal counsel opined that as long as the District procedures for disposing of surplus property were followed, and there were no bids received, the District is able to declare the item as "no salvage value" pursuant to Section 3 of the existing policy.

Staff was directed to return this item for action at the next meeting.

At this point in the meeting, Director Bowcock requested that Director Kuhn join him in the front of the room for a presentation. Director Kuhn was presented with a certificate from Southern California Water Utilities Association (SCWUA) as a Doctor of Water.

## **8.A.2. ACWA/JPIA Low Loss Ratio Awards**

The Board was provided copies of the ACWA/JPIA Low Loss Ratio awards the District was once again awarded in the categories of Liability, Property and Worker's Compensation. These awards recognize the efforts of the Board and staff in ensuring that best practices are applied and can result in monetary benefits in the form of rebates and/or reduced insurance rates.

## **8B – Engineering and Operations**

### **8.B.1. Construction Bids Mills-Pomona Project No. 58449**

An agreement for the development and operation of the proposed interconnection between Three Valleys and the City of Pomona was approved in January 2015. The Notice Inviting Bids was published on November 25, 2015 and December 2, 2015 respectively. A mandatory pre-bid meeting was held on December 8, 2015. A total of seven bids were submitted and opened on December 16, 2016 ranging in cost from \$185-300K. It was noted the project will require a budget amendment in the amount of \$170,000 increasing the project from \$65,000 to \$235,000; the budget amendment will be approved as part of the contract award.

Following the bid opening, staff initiated review of the bids for completeness. It was determined the apparent lowest bid, GCI Construction, was incomplete (mandatory amendment documentation was omitted), and subsequently disqualified as nonresponsive. In reviewing the next lowest bidder, MCC Pipeline, it was determined that their bid was complete. Staff conducted reference checks and insurance/bonding checks and is seeking direction from the Board. Staff was directed to return this item to the January 20, 2016 meeting for action.

### **8.B.2. Project Summary Update**

The Board was provided with an update of ongoing projects at the District that included a photographic presentation of progress. It was noted that prior to CYE 2015 the District was able to recharge 4,200 AF of untreated water back to the basin. The full report was included as part of the agenda packet and is available upon request.

## **8C – Finance and Personnel**

### **8.C.1. FY 15-16 Financial Projections**

The Board was briefed on WSAP and the statewide drought/mandatory reductions and their potential impact to FY 15-16 financial projections in preparation for the upcoming budget and rate setting process for FY 2016-17.

Between July-November 2015 TVMWD experienced a 30% shortfall in water sales which equated to a \$900,000 reduction to expected revenues. With the continuation of mandatory reductions through April 2016, it is anticipated that this shortfall may increase as high as \$1,100,000. These revenue shortfalls are reconciled through the rate stabilization reserves that are presently at \$1,672,000.

Discussion ensued regarding potential options for recovery of this revenue and the current triggers for use of rate stabilization reserves. Staff was asked to keep this information current and to report at each of the future meetings as we proceed into the budget and rate setting planning process.

## **9. Future Agenda Items**

- Consider support for the 2016 San Gabriel Valley Water Forum in the amount of \$6,000. The event is scheduled for Tuesday, September 13, 2016 at the Fairplex Convention Center in Pomona.
- President Kuhn announced that he would be absent from the January 20 and February 3, 2016 Board meetings.

## **10. Adjournment**

President Kuhn adjourned the meeting at 9:36 a.m. to a regular meeting scheduled for Wednesday, January 20, 2016.

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/s/ Bob Kuhn  
*President, Board of Directors*  
Three Valleys Municipal Water District

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Recorded by: Victoria A. Hahn, Executive Assistant