

MINUTES
REGULAR BOARD OF DIRECTORS MEETING
THREE VALLEYS MUNICIPAL WATER DISTRICT

Wednesday, February 17, 2016
8:00 a.m.

1. Call to Order

The Board of Directors meeting of the 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.

Directors Present

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

Directors Absent

None

Staff Present

Rick Hansen, General Manager
Steve Kennedy, Legal Counsel
Liz Cohn, Sr. Financial Analyst
Freeman Ensign, Operations Supervisor
Ray Evangelista, Engineer
Mario Garcia, Engineering & Ops Manager
Vicki Hahn, Executive Assistant
Karen Harberson, Water Quality 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 District; Director Theresa Lee, Walnut Valley Water District; Ben Lewis, Golden State Water Company; Director Tony Lima, Rowland Water District; Director Szu Pei Lu-Yang, Rowland Water District; Dean McHenry, League of Women Voters, 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 any reason to reorder the published agenda. Staff did not have any reason to reorder the published agenda.

6. Public Comment

President Kuhn called for any public comment. There were no requests for public comment.

7. Consent Calendar

The Board was asked to consider the consent calendar Items (7.1-7.5) for the February 17, 2016 Board meeting that included: (7.1) Receive, approve and file, January 2016 Board minutes for January 6, 2016 and January 20, 2016; (7.2) Receive, Approve and File, January 2016 Financial Reports; (7.3) Approve FY 2016-17 Strategic Plan Updates; (7.4) Approve Annual Purchase Orders; (7.5) Review Second Quarter Update – Reserve Schedule.

Following a motion and second, President Kuhn inquired if there was a need for any discussion. There being no further discussion a vote was called as follows.

Moved: Ruzicka; Second: Goytia
Motion No. 16-02-5078 to approve the February 17, 2016 consent calendar items 7.1-7.5; approved by a 7-0 vote.

8. General Managers Report

8A – Administration

8.A.1 Legislative Update – February 2016

Staff provided a legislative update of the current legislative cycle that resumed on January 4, 2016.

Highlights of this report included:

- This is the final week to submit new bills. Staff will prepare a list of bills to support, oppose or watch and will present to the Board during their March meeting.
- The District has prepared a letter of opposition on AB1713 (Eggman). This legislation seeks to hinder efforts for a California Water Fix.
- Senator Dianne Feinstein introduced her Drought Legislation. She has received good support of the legislation.

8.A.2 Approve Director Expense Reports, January 2016

The Board was asked to approve January 2016 expense reports. President Kuhn inquired if there was a need for any discussion. There being no further discussion a vote was called as follows:

Moved: Ruzicka; Second: Goytia
Motion No. 16-02-5079 to approve payment of the Director expense reports for January 2016; approved by a 7-0 vote.

8B – Engineering and Operations

8.B.1. Chino Basin Boundary Modification for the Sustainable Groundwater Management Act (SGMA)

Staff updated the Board on the request received from Chino Basin Watermaster seeking assistance with boundary modifications related to the Sustainable Groundwater Management Act. The goal is to have the boundaries made co-terminus with the legal boundary of the Chino Basin. TVMWD along, with Inland Empire Utilities Agency (IEUA) and Western Municipal Water District (WMWD) has been asked to adopt a resolution to support these modifications. Staff is seeking direction from the board to support an effort to coordinate with IEUA and WMD to explore the basin boundary modification.

Moved: Bowcock; Second: Goytia
Motion No. 16-02-5080 to authorize staff to coordinate with Inland Empire Utilities Agency and Western Municipal Water District and Chino Basin Watermaster to explore basin boundary modification; approved by a 7-0 vote.

8.B.2. Calendar Year Imported Water Purchases – January 2016

Staff provided an updated on the District's current WSAP through January 2016. A total of 30,000 acre-feet have been sold, with a balance remaining of 23,000 acre-feet. Beginning in March the report will be updated to include the projected actual WSAP allocation. It was noted the initial allocation may be adjusted upward at the end of the fiscal year. This new report will provide a more accurate illustration of what is expected.

Presently the District is trending at 34% cumulatively less than two years ago. Staff will be working with the member agencies to review opportunities to spread water among the Basins – Main Basin, Six Basins and Chino Basin. Staff will continue to evaluate and monitor to ensure that all entitled waters are used with caution exercised not to increase the peaking charges.

8.B.3 Miramar Operations Report – January 2016

Staff provided an overview of the Miramar Plant operations and activities for the month of January 2016. Water quality is consistently within the standard norms without any violations reported by CDPH. Water quality highlights include the TTHM results for January at 41.1-41.9 µg/l which is approximately 50% lower than the Maximum Contaminant Level (MCL). Staff also informed that beginning February 16 through March 14, 2016 the MWD Weymouth Plant will be switching to 100% State Water Project Water during their planned shutdown.

Well production is on par with the current groundwater levels with a total of 92.3 AF produced during January; a total of 1090.3 AF of imported water was delivered. Production sales monthly and year-to-date averages, hydro production, well production, along with status of special activities and external meetings were reviewed. During January operations staff spent a good amount of time preparing for the district's planned maintenance shutdown that occurred February 8-12, 2016. A copy of the full report is available upon request.

A revised copy of the report was distributed at the dais. The difference between the two reports was that year-to-date sales did not get carried over in the original report.

9. Directors' / General Managers Oral Reports

President Kuhn took a moment to introduce and welcome new Walnut Valley Water District Director, Theresa Lee.

9.A Local Agency Formation Commission (LAFCO)

Director Ruzicka reported that LAFCO considered and rescinded some old rules and regulations that were no longer relevant.

9.B Pomona Walnut Rowland Joint Water Line Commission (PWR-JWL)

Director Horan reported the next meeting is scheduled for February 18, 2016.

9.C Six Basins Watermaster

Director Bowcock reported that during the recent election of officers, Darron Poulson was elected as the new Six Basins Watermaster President; congratulations were extended. Additional undertakings included a review of a new contract service agreement with Wildermuth Environmental, Strategic Plan review, Groundwater Monitoring and Sustainable Groundwater Management Act.

9.D Main San Gabriel Basin Watermaster

Director Bowcock reported the Key Well is at 179' as of January 1, 2016. Director Bowcock provided an update regarding the three SGV Reservoirs when at

capacity equal 84,478 AF; the reservoirs are presently at 11, 968 AF which is approximately 14% of their capacity.

9.E Chino Basin Watermaster

President Kuhn reported that Mr. Darron Poulsen, City of Pomona was appointed to Chair the Appropriative Pool. Election of officers occurred at the last meeting and President Kuhn was elected to Secretary/Treasurer. Mr. Kennedy informed that the Motion to Amend Safe Yield hearing has been continued from February 26, 2016 to early April.

9.F San Gabriel Basin Water Quality Authority

President Kuhn reported the next meeting is scheduled for February 18, 2016. Representative Napolitano has been approached to hold a Congressional Hearing, possibly in conjunction with Representative Chu regarding the San Gabriel Valley water quality issues. The hearing is being planned for May 2016. Also in renegotiation for a 15 year contract for the clean-up for the Baldwin Park Operating Unit (BPOU).

9.G San Gabriel Valley Council of Governments (SGV-COG)

Director Goytia reported that a special Board meeting has been scheduled for 4:00 p.m. on February 18, 2016. The Governing Board is addressing many priority issues among them review of the Strategic Plan. Water related issues being addressed by the Board include SGV water quality and storm water, and water supply/reliability.

9.H MWD Board

Correction to the agenda that Director De Jesus, not Director Kuhn reported on activities from the recent MWD Board and Committee meetings as follows:

- \$16 Million has been appropriated for construction projects.
- Reviewed two-year budget/rates; it is anticipated the rate increase will be adopted at 4% effective January 2017 and January 2018 respectively.
- A report was provided on additional fees/surcharges under consideration related to raw water deliveries and treatment surcharges.
- For one day following the recent MWD Board meeting, MWD was not receiving any incoming water deliveries due to work on its two main sources from the Colorado River and State Water Project. Water deliveries were available from storage.
- Reviewed opportunities for Water Supply and Stewardship Committee regarding properties available for water supply and storage.
- Finalized terms with labor unions at 2.5% increase for 2015, 1.5% increase for 2016, or 100% of the 3-year average of CPI whichever is greater.

9.I Additional Board Member or Staff Reports / Comments

President Kuhn opened the floor for any additional Board Member or Staff comments.

- General Manager Rick Hansen will be addressing the TALK Community Group on Monday, March 7, 2016 to address water issue concerns.
- Director Lantz inquired about member agency comments on the Strategic Plan. The Strategic Plan was reviewed with the managers at their last meeting and comments will be included in future iterations. General Manager Hansen referenced some projects that may be considered in future years from those discussions. For future versions, Director Lantz requested that a nexus between the Strategic Plan and Budget be included, using a zero-based budget. He is also seeking further clarification on reserves and GASB 68. Director Lantz requested total cost of PM26 project.
- Representative Napolitano and Assembly Member Chris Holden participated in a garden dedication at Grace Miller Elementary School in La Verne.
- Director Bowcock reported that the ACWA Region 8 meeting is scheduled for February 18, 2016 at Foothill MWD
- A Water Advisory Board Meeting is planned to be held at Fairplex.
- The March SCWUA Luncheon will be a joint meeting to include a contact hour class preceding the luncheon. The contact hour class will conclude with the SCWUA luncheon for a total of \$40. The regular luncheon will be \$30.
- Past SCWUA President Barbara Carrera will be receiving the “boot” during the next SCWUA luncheon scheduled for February 25, 2016.

10. Closed Session

President Kuhn recessed the regular session to closed session at 9:06 a.m. to discuss the following item:

Conference with Real Property Negotiators, pursuant to Government Code Section 54956.8

Property: 613 West Baseline Avenue, Claremont, CA 91711

District Negotiator: Richard Hansen, General Manager

Negotiating Parties: Murali S. Chanduri and Swarna S. Chanduri

Negotiation: Price and Terms

11. Report Out Of Closed Session

The Board reconvened to regular session at 9:35 a.m. Mr. Kennedy reported that in lieu of initiation of litigation to pursue the acquisition of the property identified on the agenda, the Board authorized the General Manager to move forward with negotiation to see if title to the property could be obtained by acquisition instead of condemnation. Based on that authority, staff entered into a purchase and sale

agreement for the property in the amount of \$610,000. Escrow closed on February 11, 2016.

12. Future Agenda Items

None noted.

13. Adjournment

President Kuhn adjourned the meeting at 9:37 a.m. **The next regular Board meeting is scheduled for March 2, 2016 at 8:00 a.m.**

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

Recorded by: Victoria A. Hahn
Executive Assistant