

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

**Wednesday, September 7, 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 TVMWD 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 Bob Kuhn.

3. Roll Call

Roll call was taken with the full Board present.

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

Staff Present

Rick Hansen, General Manager
Steve Kennedy, General Counsel
Liz Cohn, Sr. Financial Analyst
Mario Garcia, Engineering & Operations Manager
Vicki Hahn, Executive Assistant
Kirk Howie, Assistant GM-Administration
Steve Lang, Water Operations Manager
James Linthicum, Chief Finance Officer
Ben Peralta, Project Manager

Directors Absent

None

Others present: Roger Bradley, City of Claremont; Paul DiMaggio, Suburban Water Systems; Director Ted Ebenkamp, Walnut Valley Water District; Director Ed Hilden, Walnut Valley Water District; Erik Hitchman, Walnut Valley Water; Mike Holmes, Walnut Valley Water District; Ben Lewis, Golden State Water Company; Director Tony Lima, Rowland Water District; Chris Palmer, California Special Districts Association; Darron Poulsen, City of Pomona, Jayson Schmitt, Chandler Asset Management

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. Board Presentations

7.A District of Distinction Award

Mr. Chris Palmer of California Special Districts Association was in attendance to present the Board with the 2016 District of Distinction Recertification and 2016 Transparency Certificate of Excellence which were awarded to TVMWD. Mr. Palmer commended the Board and staff for their efforts in continuously promoting transparency and excellence. A brief recess for photos occurred.

7.B Annual Investment Update

Mr. Jayson Schmitt, of Chandler Asset Management provided an annual investment update and a general economic update to the Board, and responded to questions regarding specific TVMWD investments. A discussion also occurred regarding the future investment direction for TVMWD.

8. General Manager's Report

8.A Finance and Personnel

8.A.1 – Annual Investment Policy Review

The agenda packet included a draft resolution with recommended changes to TVMWDs Investment Policy. Mr. Linthicum proceeded to provide the Board its annual review of the investment policy and responded to questions regarding recommended changes. It was noted that the proposed investment policy meets all the criteria for the California Municipal Treasurer's Association (CTMA), and upon adoption of the updated investment policy TVMWD will apply to certify its investment policy with CTMA. Staff was directed to return this item to the September 21, 2016 Board meeting for approval.

8.A.2 – Updated Director Expense Sheet

Mr. Linthicum reviewed the proposed updated Director Expense Worksheet. TVMWD was recently advised the Internal Revenue Service has exercised additional scrutiny to insure that mileage reported by public agencies is reasonably verifiable; it was noted

that unsubstantiated mileage could be considered as additional income. Other improvements were also made to the form to make them more user-friendly. Upon submittal of September expense sheets Directors will be sent a template for use beginning in October.

8.B Administration

8.B.1 – Draft Resolution – Appointment in Lieu of Election

The agenda packet included a draft resolution for Board consideration to be sent to the Los Angeles County Board of Supervisors to appoint the unchallenged Directors to their incumbent seat in lieu of election. As of the close of nominations on August 12, 2016 three divisions, 2 (De Jesus), 4 (Kuhn), and 7 (Horan) remained unchallenged for the November 8, 2016 election. Staff was directed to return this item to the September 21, 2016 Board meeting for approval.

8.B.2 – Draft Resolution – Opposition to Proposition 53, “Cortopassi Initiative”

The agenda packet included a draft resolution for Board consideration in opposition to Proposition 53 that is scheduled on the ballot for the November 8, 2016 General Election. Also included in the packet were a pros/cons worksheet, and FAQ worksheet.

Mr. Howie provided a summary of Proposition 53 which if passed will require voter approval on any California public projects exceeding \$2.0 billion.

A discussion ensued among the members of the Board. President Kuhn inquired of legal counsel whether action could be taken at today’s regular meeting due to time sensitivity regarding educating our stakeholder’s on this matter. Mr. Kennedy offered a summary on the difference between advocacy and education, the latter of which TVMWD can provide to our stakeholders. It was recommended that no action be taken on this item at today’s proceeding as the item was clearly noted as recommended to return to a future meeting for action. Staff was directed to return this item to the September 21, 2016 Board meeting for approval.

8.C Engineering-Operations

8.C.1 – Verizon Cell Tower Lease

A copy of the draft lease agreement and specifications were provided in the agenda packet. Mr. Garcia provided a status report to the Board on the proposed lease. Revenue from the

lease will begin at \$1900 monthly with 3% compounded interest annually. The initial agreement will be for five years with four automatic renewals at five-years each. The height of the tower will be 75'. Discussion ensued regarding the agreement with Mr. Garcia responding to questions from the Board. Staff was directed to return this item to the September 21, 2016 Board meeting for approval.

8.C.2 – Project Summary Update

The Board was provided with an update of ongoing projects at TVMWD that included a photographic presentation of progress. Staff responded to questions regarding specific projects. The full report was included as part of the agenda packet and is available upon request.

9. Future Agenda Items

- Approval of resolution updating TVMWDs Investment Policy (Consent Calendar)
- Approval of resolution appointing Divisions 2, 4 and 7 in lieu of election (Consent Calendar)
- Approval of resolution opposing Proposition 53 (Consent Calendar)
- Approval of agreement for Verizon Cell Tower (Consent Calendar)

10. Adjournment

President Kuhn adjourned the meeting at 9:30 a.m. to a regular meeting scheduled for Wednesday, September 21, 2016.

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

Recorded by: Victoria A. Hahn
District Clerk/Executive Assistant