

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

**Wednesday, September 21, 2016  
8:00 a.m.**

**1. Call to Order**

The Board of Directors meeting of the Three Valleys Municipal Water District (TVMWD) 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 Kuhn.

**3. Roll Call**

Roll call was taken with the full 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  
Vicki Hahn, District Clerk/Executive Assistant  
Karen Harberson, Operations WQ Assistant  
Kirk Howie, Assistant GM-Administration  
Steve Lang, Water Operations Manager  
James Linthicum, Chief Finance Officer  
Ben Peralta, Project Manager

Guests and others present: Roger Bradley, City of Claremont; Tom Coleman, Rowland Water District; Paul DiMaggio, Suburban Water Systems; Director Ted Ebenkamp, Walnut Valley Water District; Erik Hitchman, Walnut Valley Water District; Ben Lewis, Golden State Water Company; Director Tony Lima, Rowland Water District; Dean McHenry, League of Women Voters; John Mendoza, Pomona Resident; Darron Poulsen, City of Pomona; Tim Sandoval, Pomona Resident; Brian Teuber, Walnut Valley Water District; Dave Warren, Rowland Water District

**4. Additions to Agenda**

President Kuhn inquired if there were any additions to the published agenda. Steve Kennedy, TVMWD General Counsel informed the Board that it would be necessary to hold a closed session in reference to Chino Basin Municipal Water District v. City of Chino, San Bernardino County Case Number RCV51010. Information that requires immediate action came to the attention of TVMWD after the agenda had been published. A Motion was called from the dais to add this item to the Agenda. Mr. Kennedy advised that the tentative decision was received from the court to

modify the Chino Basin Watermaster Safe Yield on September 20, 2016, less than 72 hours preceding today's scheduled Board meeting. Immediate action is required by the TVMWD Board as the Chino Basin Watermaster Board is scheduled to meet on Thursday, September 22, 2016; and the hearing to accept the final judgment in this matter is scheduled for Friday, September 23, 2016.

The following item will be added to the agenda under Closed Session for discussion: Conference with Legal Counsel, Existing Litigation, pursuant to Government Code Section 54956.9(d)(1) Chino Basin Municipal Water District v. City of Chino Case; San Bernardino County Case No. RCV51010. Public comment was requested prior to calling for the vote; there was no public comment.

**Moved: Ruzicka; Second: Goytia**  
**Motion No. 16-09-5101 to add the referenced item to the Closed Session of the September 21, 2016 Agenda. The motion passed with a 7-0 unanimous vote.**

## 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 from the audience.

## 7. Consent Calendar

The Board was asked to consider the Consent Calendar Items (7.1-7.8) for the September 21, 2016 Board meeting that included: (7.1) Receive, approve and file, June 2016 Board minutes for June 1, 2016 and June 15, 2016; (7.2) Ratify June and July 2016 Financial Reports (Warrant Summary Disbursements); (7.3) Receive, approve and file, August 2016 Financial Reports; (7.4) Approve Resolution No. 16-09-783 Participation in the Great California Shakeout; (7.5) Approve Resolution No. 16-09-784 Appointment in Lieu of Election in Divisions 2, 4 and 7; (7.6) Approve Resolution No. 16-09-785 Opposing Proposition 53, "Cortopassi Initiative"; (7.7) Approve Resolution No. 16-09-786 Annual Investment Policy Updates; (7.8) Approve Verizon Cell Tower Lease and authorize General Manager to execute same.

Upon motion and second the floor was opened for discussion. Mr. Kennedy noted that a correction was necessary on the Verizon Cell Tower Lease (Consent Calendar Item 7.8), at Section 4, page 2 of 20 under "Rent". The amounts shown on the contract between the numeric expression and the text expression are incongruent. The correct amount should be \$1,900/month. Staff will correct prior to contract being signed.

There being no further discussion, President Kuhn called for the vote.

**Moved: Ruzicka; Second: Goytia**  
**Motion No. 16-09-5098 to approve the September 21, 2016 consent calendar items 7.1-7.8. The motion passed with a 7-0 unanimous vote.**

## 8. General Manager's Report

### 8A – Administration

#### 8.A.1 Legislative Update, September 2016

The Board was provided an update on Legislative activity that could potentially impact TVMWD operations. Both Houses of the State Legislature adjourned their 2016 legislative session on August 30, 2016. Bills that have made it through the legislative session have now been conferred to Governor Brown who has until September 30, 2016 to either approve or veto.

A General Election is scheduled for November 8, 2016 with all 80 of the State Assembly seats and 20/40 State Senate seats scheduled for an election; On the Federal side, each of the Congressional seats representing California will hold an election this year. The 2017-18 Legislative Session convenes on December 5, 2016 with any new members being sworn into office.

Mr. Howie reviewed the Legislative Status Report that was included in the agenda packet. Of the seven bills TVMWD took action, to either support or oppose, six went in the direction that was hoped for. Governor Brown recently took action to pass an MWD Sponsored Bill that TVMWD supported, AB 2488 which will allow MWD to take a protected species, *Unarmored Threespine Stickleback* under certain lawful conditions with remediation.

Mr. Howie will prepare a full legislative election update following the November 8, 2016 General Election. Mr. Hansen requested the update include information on the status of Proposition 53 "Cortopassi Initiative" following the election.

On the Federal level, the WRRDA Bill passed through the Senate last week. It is currently moving through Congress and may be delayed until the legislators are back in session.

#### 8.A.2 Ratify June and July 2016 Director Expense Reports and Approve Director Expense Reports for August 2016

The Board was asked to ratify the previously paid June and July 2016 Expense reports and approve August 2016 Director Expense reports. Upon motion and second the floor was opened for discussion. There being no discussion, President Kuhn called for the vote.

**Moved: Ruzicka; Second: Horan  
Motion No. 16-09-5099 to ratify previously paid Director Expense reports for June and July 2016, and approve payment of the Director Expense reports for August 2016. The motion passed with a 7-0 unanimous vote.**

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

### **8.B.1 Calendar Year Imported Water Purchases and Peak Flow Reports, August 2016**

Ben Peralta provided the Board with an update regarding imported water purchases and peak flows for the month of August 2016. Through August a total of 35,480 AF has been delivered to the Member Agencies, with a balance remaining of 45,208 AF available for delivery by end of CY 2016. Staff has been working with Member Agencies to plan for storage orders running through USG-3 and into the San Gabriel Basin. Further efforts will be pursued at the conclusion of the peak flow time frame. Mr. Peralta responded to questions from the Board regarding imported water delivery trends between CY 2015 and CY 2016; we are presently trending at +14% over the prior year's deliveries.

Ten days remain in the peak flow time range that will conclude at the end of September. The maximum average occurred on July 22, 2016 when the temperature was at 119.8°. TVMWD is currently trending above FY 14-15 and below FY 13-14.

### **8.B.3 Miramar Operations Report – August 2016**

Mr. Lang provided an overview of the Miramar Plant operations and activities for the month of August 2016. Water quality continues to meet or exceed state and federal drinking water standards without any violations reported by SWRCB.

With the temperatures beginning to cool there has been a reduction in MIB Geosmin taste and odor issues.

Mr. Lang reviewed current production/sales data month and year-to-date as follows. Total potable water produced 2009.9/AF; Well #1 and #2 ran for the entire month of August for a total of 92.1/AF produced. Total potable water sales for the month were 2102.0/AF. Total year-to-date potable water sold was 4105.8/AF compared to budget of 2875.0/AF. Total year-to-date well production was 181.4/AF compared to budget of 200.0/AF. Average monthly water sold was 2143.6/AF.

Hydroelectric generation data was reviewed. It was noted that the Fulton Plant is offline. Miramar and Williams Plant(s) continue to exceed their actual to budgeted hydro-electric production both month and year-to-date.

A summary of special activities were discussed that included:

- A facility tour of ongoing projects was provided to the Board.
- An outside lab conducted a suitability test to assess the membrane process on the new reverse-osmosis unit. The unit passed on all parameters.
- Fire extinguisher training was offered to all staff in conjunction with the annual maintenance of the District's fire extinguishers.
- There was one planned outage at the Emerald/Baseline connection. Staff installed a Honda generator prior to the planned outage to keep the connection online.
- Staff met with other local water treatment plant agencies (WFA, CVWD, East Valley, CIC) to discuss water quality issues related to the supply from Lake Silverwood.

- Staff participated in the CA-NV Water Education Symposium at Santiago College and earned contact hours toward their certification renewals.

## **8C – Finance and Personnel**

### **8.C.1 Employee Health Care Costs CY 2017**

A review of the existing policy regarding employee contributions was discussed with staff recommending no changes. Mr. Linthicum informed that during CY 2016 several employees converted to the Consumer Driven Health Plan (CDHP) which has resulted in a savings to TVMWD of approximately \$10,000. The employees have expressed satisfaction with the CDHP program and it is expected that many will continue with this program. Mr. Linthicum also reviewed TVMWD's "opt-out" program that permits employees and/or family members who have verified alternate health coverage to opt out of TVMWD's insurance and instead receive 75% those premiums as compensation.

Mr. Linthicum provided the Board with an update of the proposed CY 2017 Health Care Costs. Anthem insurance plans will increase by 12%. Our JPIA broker has expressed that some of the increase is derived due to increased pharmacy costs. It was noted that it wasn't so much an increase of pharmacy costs by TVMWD employees, but rather an increase in pharmacy use in general as a result of several new and sometimes costly drugs that are offered.

Staff will conduct a comprehensive compensation survey toward end of CY 2016 and the intent is to include a review of the opt-out program compared to what other agencies offer. The outcome of the study and recommendations will be returned to the Board for consideration at a later time.

The action before the Board today is to continue the existing policy for employee's contributions to health care costs with one exception – discontinue the medical plan opt-out for anyone not currently opting out during 2016. It is important that action be taken today to accommodate the open enrollment for JPIA benefits that will begin on October 3, 2016 and run through November 9, 2016.

Upon motion and second the floor was opened for discussion. Discussion ensued with staff responding to questions. Following discussion President Kuhn called for the vote.

**Moved: De Jesus; Second: Ruzicka**

**Motion No. 16-09-5100 approving continuation of the current policy concerning employee contributions to health care premiums, and suspending any new opt-out requests for 2017. The motion passed with a 7-0 unanimous vote.**

## **9. Directors' / General Managers Oral Reports**

### **12.A Local Agency Formation Commission (LAFCO)**

Director Ruzicka provided a copy of the LAFCO Agenda for their September 2016 meeting for anyone's interest. Two important issues were reviewed: (1) Little Hoover Commission Report; and (2) Sativa County Water District.

### **12.B Pomona Walnut Rowland Joint Water Line Commission (PWR-JWL)**

Director Horan did not have anything to report. The next meeting is scheduled for October 13, 2016 at 4:00 p.m. at Walnut Valley Water District.

### **12.C Six Basins Watermaster**

Director Bowcock did not have anything to report. The next meeting is scheduled for September 28, 2016 at 2:00 p.m. at TVMWD.

### **12.D Main San Gabriel Basin Watermaster**

Director Bowcock informed that the Key Well is presently at 174.4'. It is anticipated that flows going into the San Gabriel Basin may help reverse the continuously dropping trend at the Key Well in November.

### **12.E Chino Basin Watermaster**

President Kuhn invited Mr. Darron Poulsen, City of Pomona to address the Board and comment on the preliminary judgment received from the Court on September 20, 2016. A review of important points that may reverse much of the previous work completed on Peace 1 and 2 were reviewed. The judgment will set the safe yield at 135 AF and is expected to be finalized during the September 23, 2016 hearing. The next Board meeting is scheduled for September 22, 2016 at 11:00 a.m.

### **12.F San Gabriel Basin Water Quality Authority**

President Kuhn informed the next meeting is scheduled for September 21, 2016 at 12:00 p.m. Changes to the Board may occur as a result of the upcoming General Election. The Board is presently short one member that is being served by the alternate.

### **12.G San Gabriel Valley Council of Governments (SGV-COG)**

Director Goytia did not have anything to report and informed the next meeting is scheduled for September 22, 2016.

### **12.H MWD Board**

Director De Jesus reported on recent action taken at the September 13, 2016 Board Meeting. Discussion occurred regarding water supply through CYE 2016. MWD has an ample supply of water to meet its deliveries. MWD continues to pursue all available programs to move water into southern California. A Special Executive Committee Meeting was convened prior to the Regular Board Meeting to announce the process for the upcoming election regarding the Chair/Secretary position(s) on the Board. Long Beach replaced retiring member Suja Lowenthal

and installed Gloria Codero. Director Lantz inquired regarding the status of the MWD purchase of the Delta Islands in northern California.

#### **12.I Additional Board Member or Staff Reports / Comments**

President Kuhn invited Pomona resident, Tim Sandoval, candidate for Pomona Mayor to introduce himself. Mr. Sandoval thanked the Board and staff for the recent facilities tour and education briefing on water issues.

#### **10. Closed Session**

The Board convened to closed session at 9:00 a.m. to discuss two items as follows:

- A) **Conference with Real Property Negotiators** [Government Code Section 54956.8]; Parcel No. 40576-01-01; District Negotiator: Richard Hansen and Steve Kennedy; Under negotiation: terms and conditions.
- B) **Conference with Legal Counsel, Existing Litigation**, [Government Code Section 54954.2(b)(2)]; Chino Basin Municipal Water District v. City of Chino; San Bernardino County Case No. RCV51010.

#### **11. Report Out Of Closed Session**

The Board reconvened to regular session at 9:45 a.m. The following action was reported.

Item (A) Mr. Kennedy reported that TVMWD has acquired title to the property identified on the agenda, Parcel No. 40576-01-01 in the amount of \$17,300 from the State of California Cal Trans.

Item (B) Chino Basin Municipal Water District v. City of Chino, San Bernardino County, Case No. RCV51010 — there was no reportable action.

#### **12. Future Agenda Items**

There were no requests for any future agenda items.

#### **13. Adjournment**

President Kuhn adjourned the meeting at 9:46 a.m. **The next regular Board meeting is scheduled for October 5, 2016 at 8:00 a.m.**

---

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

---

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