

MINUTES
REGULAR BOARD OF DIRECTORS MEETING
THREE VALLEYS MUNICIPAL WATER DISTRICT

Wednesday, September 6, 2017
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 Vice President David De Jesus.

2. Pledge of Allegiance

The flag salute was led by Vice President David De Jesus.

3. Roll Call

Roll call was taken with a quorum of the board present. President Bob Kuhn had an excused absence. Directors Goytia and Horan arrived after roll call.

Directors Present

David De Jesus, Vice President
Brian Bowcock, Secretary
Joseph Ruzicka, Treasurer
Dan Horan, Director (ar. 8:44 a.m.)
Carlos Goytia, Director (ar. 8:08 a.m.)
John Mendoza, Director

Directors Absent

Bob Kuhn (excused)

Staff Present

Rick Hansen, General Manager
Steve Kennedy, Legal Counsel
Dominique Aguiar, Operations Supervisor
Liz Cohn, Sr. Financial Analyst
Ray Evangelista, Engineer
Vicki Hahn, District Clerk/Executive Assistant
Mario Garcia, Manager of Engineering & Planning
Kirk Howie, Assistant GM-Administration
Steve Lang, Water Operations Manager
James Linthicum, Chief Finance Officer
Ben Peralta, Project Engineer
Esther Romero, Accounting Technician

Guests and others present: Mia Corral Brown, Chandler Asset Management; Director Ted Ebenkamp, Walnut Valley Water District; Director Ed Hilden, Walnut Valley Water District; Director Tony Lima, Rowland Water District; Gary Matthews, City of Pomona; Jayson Schmitt, Chandler Asset Management; Brian Teuber, Walnut Valley Water District; Tony Zampiendo, Main San Gabriel Basin Watermaster

4. Additions to Agenda

Vice President De Jesus inquired if there was a need to add items to the agenda. Staff did not have a need to add items to the agenda.

5. Reorder Agenda

Vice President De Jesus inquired if there was a need to reorder the agenda. Staff did not have a need to reorder the agenda.

6. Public Comment

Vice President De Jesus called for any public comment. There were no requests for public comment.

7. Board Presentations

7.A – Chandler Asset Management

Chandler Asset Management representatives Jayson Schmitt and Mia Corral Brown were present to provide the Board with an annual update of the TVMWD investment portfolio, and a general review of the current economic conditions.

8. General Manager's Report

8.A – Finance and Personnel

8.A.1 Annual Investment Policy Review 2017

The Board was provided with an annual review of TVMWD's current investment policy resolution last adopted on September 21, 2016. TVMWD's investment policy was initially developed pursuant to Government Code section 53646. Per this code, and TVMWD policy, the Board is provided periodic updates. When changes are necessary, the Board adopts a new resolution which will supersede any previous editions of same.

Chief Finance Officer, James Linthicum made note of the recommended updates to the policy that were shown in redline version in the agenda packet. Recommended updates were identified in part through consultation with the team from Chandler Asset Management, and because of TVMWD's investment policy successfully completing California Municipal Treasurer's Association (CMTA) certification program during the prior fiscal year. None of the changes are considered major or alter current practices. Following review and discussion, staff was directed to return this item to the next meeting for consideration of approval.

8.A.2 Employee Health Care Costs CY 2018

The Board was provided with its annual update of employee health care costs for CY 2018 that include medical, dental and vision coverage. Staff is recommending the Board continue the current employee contribution of 10% toward their individual medical premiums with some exceptions. Exceptions include:

- Employees hired before 12/31/10 under the previous allowance method
- Single employees enrolled in Kaiser (ACWA-JPIA requires 100% coverage by TVMWD)
- Employees enrolled in Anthem Blue Cross Consumer Driven Health Plan (CDHP).

Percentage changes to Anthem's PPO and CDHP were increased 4.5% respectively; Anthem's HMO was increased 8.26%; and Kaiser HMO was increased 13.05%. There were no increases to any of the dental or vision coverages.

Staff reported that during the past year a survey was completed to compare TVMWD's opt out benefit to other agencies. After careful evaluation, staff is recommending the cash opt out benefit to staff be reduced from 75% to 70%. This change will result in an overall savings to TVMWD of approximately \$3,000. ACWA-JPIA limits the total number of employees that can opt out of the TVMWD benefits to 25% of total employee base, or seven employees. Presently we have not maximized this number. Requests to opt out will continue to be approved on a first-come, first-served basis.

Staff responded to various questions regarding the opt out update. The Board was informed that staff is seeking to complete the approval process of the CY health care costs to coincide with the planned ACWA-JPIA open enrollment scheduled to commence on October 2, 2017, and run through November 1, 2017. Staff was directed to return this item to the next meeting for consideration of approval.

In concluding his report, Chief Finance Officer James Linthicum advised the Board that he was recently appointed to the ACWA-JPIA Employee Benefits Committee.

8.B – Administration

8.B.1 Redevelopment Oversight Board Appointments

Assistant General Manager-Administration Kirk Howie reported on the outcome of the Redevelopment Oversight Board appointments. Upon conclusion of the nomination period, there was only a single nomination for RDA Oversight Board No. 5. Director Joseph Ruzicka has been appointed as the voting member for District 5; there is not an alternate voting member, and legislation does not require an alternate. Management and staffing of the RDA Oversight Boards will be the responsibility of the Los Angeles Auditor-Controller.

Staff responded to several questions regarding the process and responsibilities which continue to be fluid as the Los Angeles Auditor-Controller is establishing its guidelines for the oversight boards. Director Ruzicka invited anyone with questions or feedback to direct it to his attention in writing, and he will provide an update after the initial meetings are scheduled.

8.B.2 District Practices and Policies – What Defines TVMWD

The Board was provided with a comprehensive presentation of TVMWD's practices and policies addressing how the district monitors and processes various issues. Areas covered included Mission/Vision Statement, Core Values, Strategic Planning/Work Plans, Finance, Insurance, Training, Handbook Manuals, including several supplemental policies, agreements, human resources and other ongoing programs. A copy of the presentation is available upon request.

8.C – Engineering and Operations

8.C.1 CEQA Lead Agency for Six Basins Watermaster Strategic Plan

The Board was provided with an update on the progress that Six Basins Watermaster has made over the past several years in developing a strategic plan that basin stakeholders can use to chart future projects. The Six Basins plan is at the stage now that previously identified projects can be moved forward for potential implementation. As part of this process, an environmental review that complies with the California Environmental Quality Act (CEQA) must be conducted. A public agency must act as the lead agency to offer public review and evaluation, and to receive and address comments associated with the environmental assessment. Six Basins Watermaster is not a public agency and is not able to serve as the lead agency.

During it's the August 23, 2017 Six Basins Watermaster Board Meeting, TVMWD was approached to consider serving as the lead agency for the CEQA proceedings associated with the Six Basins Watermaster Strategic Plan. If the TVMWD Board agrees that Three Valleys will serve as the lead agency, staff will begin coordination with Six Basins Watermaster administrative staff to undertake the necessary activities. The bulk of the work will continue to be completed by Six Basins administrative staff, and TVMWD staff will assume some of the administrative and clerical tasks. Any costs incurred by TVMWD will be reimbursed. Once approved by the Board, TVMWD will prepare an agreement for reimbursement of costs from Six Basins. Staff was directed to return this item to the next meeting for consideration of approval.

8.C.2 TVMWD Grand Avenue Well

This project is now at the point of readiness for CEQA evaluation. TVMWD staff has been working with a consultant, Stantec, to prepare the Initial Study and Mitigated Negative Declaration (IS/MND) and preliminary design report for the project. If approved by the Board, the IS/MND will be posted and distributed to initiate the 30-day public review and comment period commencing on September 7, 2017 and ending on October 9, 2017.

Public comments and responses will become part of the CEQA documentation that will be returned to the Board for consideration of approval following a proposed public hearing planned for November 15, 2017.

TVMWD consulted with all local and agency stakeholders, including an informational meeting in June 2017 for the residents; no residents attended the informational meeting. Staff responded to some phone inquiries and adequately addressed the questions. Once the Board adopts the IS/MND CEQA documentation, the engineering consultant will complete the final design for drilling (phase 1) of the Grand Avenue Well.

Staff was directed to publish the IS/MND and to open the 30-day public review and comment period commencing on September 7, 2017.

8.C.3 Project Summary Update

The Board was provided with an update of ongoing projects at the District that included a photographic presentation of progress. The full report was included as part of the agenda packet and is available upon request.

9. Closed Session

The Board adjourned to Closed Session at 9:37 a.m. to discuss two matters as noted below:

9.A Conference with Real Property Negotiators *(pursuant to Government Code Section 54956.8)*

- Property: Baseline Road / Wiley Court, Claremont, CA, APN 8670-007-030
- District Negotiator: Richard W. Hansen, General Manager
- Negotiating Parties: Vortex Properties, Inc. / Six Basins Watermaster
- Under Negotiation: Quitclaim Deed / Memorandum of Understanding

9.B Conference with Legal Counsel – Existing Litigation *(pursuant to Government Code 54956.9(d)(1) – 3 cases)*

1. Chino Basin Municipal Water District v. City of Chino, et.al., State of California Court of Appeal, Fourth Appellate District, Division Two, Case No. E068640
2. San Diego County Water Authority v. Metropolitan Water District of Southern California, State of California Court of Appeal, First Appellate District, Division Three, Case Nos. A146901 and A148266.
3. San Diego County Water Authority v. Metropolitan Water District of Southern California, Los Angeles County Superior Court Case No. BS169881

10. Report out of closed session

The Board reconvened to regular session at 9:55 a.m. Legal Counsel, Steve Kennedy provided the report.

Regarding the matter under Item 9.A, there was no reportable action pursuant to the Brown Act.

Regarding the matters under Item 9B, there was no reportable action pursuant to the Brown Act.

11. Future Agenda Items

There were no requests for future agenda items.

12. Adjournment

The Board adjourned at 9:56 a.m. to its next regular meeting scheduled for Wednesday, September 20, 2017 at 8:00 a.m.

/s/ David De Jesus
Vice President, Board of Directors
Three Valleys Municipal Water District

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