

MINUTES
REGULAR BOARD OF DIRECTORS MEETING
THREE VALLEYS MUNICIPAL WATER DISTRICT

Wednesday, January 17, 2018
8:00 a.m.

1. Call to Order

The Board of Directors meeting of Three Valleys Municipal Water District (TVMWD) was called to order at 8:00 am 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 a quorum of board present.

Directors Present

Bob Kuhn, President
David De Jesus, Vice President
Joe Ruzicka, Treasurer
Dan Horan, Director
Carlos Goytia, Director
John Mendoza, Director

Directors Absent

Brian Bowcock, Secretary (excused)

Staff Present

Rick Hansen, General Manager
Steve Kennedy, Legal Counsel
Liz Cohn, Senior Financial Analyst
Ray Evangelista, Engineer
Mario Garcia, Chief Engineer/Operations Officer
Vicki Hahn, District Clerk/Executive Assistant
Kirk Howie, Chief Administrative Officer
Steve Lang, Water Operations Manager
James Linthicum, Chief Finance Officer
Ben Peralta, Project Engineer

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; Ben Lewis, Golden State Water Company; Director Tony Lima, Rowland Water District; Dean McHenry, League of Women Voters; Darron Poulsen, City of Pomona; Brian Teuber, Walnut Valley Water District; Dave Warren, Rowland Water District

4. Additions to Agenda

President Kuhn inquired if there was a need to add items to the agenda. Staff did not have a need to add items to the published agenda.

5. Reorder Agenda

President Kuhn inquired if there was a need to reorder the agenda. Staff did not have a need 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 January 17, 2018 Board meeting that included: (7.1) Receive, approve and file, December 2017 Minutes for December 6, 2017; (7.2) Ratify November 2017 Warrant List, and Approve Financial Reports and Investment Update December 2017; (7.3) Carport Replacement, Project No. 58434 – Reject all bids; (7.4) Reservoir Effluent Pump Station, Project No. 58459 – Bid Review, Approval of Budget Amendment in the amount of \$94,000 increasing project to \$300,000, and awarding construction to Pyramid Building & Engineering; (7.5) Adoption of Salary Schedule effective January 1, 2018 pursuant to CalPERS and California Code of Regulations Section 570.5.

Upon motion and second the floor was opened for discussion. There being no discussion, President Kuhn called for the vote.

Moved: Ruzicka; Second: Goytia
Motion No. 18-01-5161 – Approving Consent Calendar Items 7.1 – 7.5 for January 17, 2018. The motion passed by a 6-0 majority vote; Director Bowcock had an excused absence.

8. General Manager's Report

8.A – Administration

8.A.1 Legislative Update, January 2018

Chief Administrative Officer Kirk Howie provided the Board with highlights of the current legislative session which began on January 2, 2018. CY 2018 is year two of the legislative session. The Board was provided with a legislative calendar that identified key dates. The next major deadline is February 16, 2018, the last day for bills to be introduced for consideration. The Board was also provided with a summary of CY 2018 legislative priorities that TVMWD will be pursuing.

There are several carryover bills from year one of the session. TVMWD will continue to oppose *SB 623 (Monning)- Water quality: Safe and Affordable Drinking Water Fund*. TVMWD will also continue to watch *SB 778 (Hertzberg) – Water systems: consolidations: administrative and managerial services*. Director Ruzicka commented that SB 778 is also very important to LAFCO and they are seeking amendments from the author; a request was made to staff to stay aware of SB 778 movement through the legislative cycle. Staff will bring the first legislative status report to the Board in March 2018.

An update on the new legislative leadership was provided. Two legislators from TVMWD's service area have been moved into leadership, Senator Connie Leyva is the chair of the Democratic Caucus, and Assembly Member Ian Calderon is the Majority Floor Leader. The Board was informed that

Representative Ed Royce District 39 has announced his retirement at the end of his term. He has served since 1993. Recent changes in leadership also occurred at the Department of Water Resources, Grant Davis has stepped down as Executive Director, and Governor Brown appointed Karla Nemeth as the new Executive Director as of January 10, 2018.

TVMWD staff, along with staff and directors from MWD met with Senator Anthony Portantino to provide an update on the California WaterFix. To date it appears that the direction is moving toward phasing the California WaterFix to a single tunnel to start, and potentially increasing to two tunnels later. The Governor supports this direction, with a primary concern of remaining in concept with the approved environment impact of the project. Questions were raised regarding MWD's support of this new direction. Director De Jesus acknowledged that MWD will get behind this proposed change. It was noted that while there may be some capital savings by moving in this direction, the unit cost for this project may be greater down the road.

8.A.2 Ratify November 2017 Director Expense Reports, and Approve Director Expense Reports, December 2017

The Board was asked to ratify the previously paid November 2017 Director expense reports, and to approve the December 2017 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. 18-01-5162 – Ratify payment of the November 2017 Director expense reports and approve payment of December 2017 Director expense reports. The motion passed by a 6-0 majority vote; Director Bowcock had an excused absence.**

8.A.3 CY 2018 Appointment of Board Representatives / Alternates

President Kuhn expressed that it was his intent to keep all existing representative/alternates that attend various agency meetings and report back to TVMWD the same for CY 2018. Staff was requested to add the Pomona City Council Meetings to the list of meetings with an assigned representative/alternate. Director Mendoza was asked to serve as the representative for the Pomona City Council, and Director Goytia was asked to serve as the alternate. It was also noted that for CY 2018 TVMWD is serving as the alternate for the Water Agencies JPA at the San Gabriel Valley Council of Governments. Director Goytia will serve as the delegate for TVMWD, and Director Ruzicka will be the alternate observer. Director Mendoza inquired about attending Chino Basin Watermaster meetings as an alternate. Director Kuhn advised that Director Mendoza is welcome to attend as an observer at the Chino Basin meetings to gain more knowledge, but that at this time there is not a recommendation to change the representative/alternate.

Upon motion and second the floor was opened for discussion. At the conclusion of discussion President Kuhn called for the vote.

Moved: Ruzicka; Second: Horan
Motion No. 18-01-5163 – Approving the CY 2018 Board Appointments of Representatives / Alternates with no change to previous assignments, and the addition of Pomona City Council Meetings to the roster of meetings. The motion passed by a 6-0 majority vote; Director Bowcock had an excused absence.

Below is the adopted list of representatives/alternates for CY 2018 Board Appointments:

| Committee / Board | Representative | Alternate |
|---|----------------|----------------|
| ACWA Region 8 Delegate | Dan Horan | Brian Bowcock |
| ACWA / JPIA Representative | Brian Bowcock | Bob Kuhn |
| Chino Basin Watermaster | Bob Kuhn | David De Jesus |
| City of Pomona Council Meetings | John Mendoza | Carlos Goytia |
| Local Agency Formation Commission (LAFCO) | Joe Ruzicka | Bob Kuhn |
| Main San Gabriel Basin Watermaster | Brian Bowcock | Dan Horan |
| MWD Board Representative | David De Jesus | N/A |
| PWR Joint Water Line Commission | Dan Horan | Carlos Goytia |
| Rowland Water District | Dan Horan | Joe Ruzicka |
| San Gabriel Basin WQA | Bob Kuhn | Dan Horan |
| San Gabriel Valley Council of Governments | Carlos Goytia | Joe Ruzicka |
| Six Basins Watermaster | Brian Bowcock | John Mendoza |
| Walnut Valley Water District | David De Jesus | Joe Ruzicka |

8.B – Engineering and Operations

8.B.1 Calendar Year Imported Water Purchases through December 2017

Chief Engineer/Operations Officer Mario Garcia provided the CYE 2017 Imported Water Purchases report to the Board. TVMWD delivered 59,663 AF of its Tier 1 allocation with a balance remaining of 21,025 AF. Three agencies exceeded their Tier 1 allocations for a total of 999.3 AF. Because TVMWD did not exceed their Tier 1 allocation, Tier 2 penalties will not be assessed. TVMWD was able to spread 1,329.1 AF; spreading was limited by capacity and willingness to accept future deliveries of stored water. A review of the three-year comparison report shows imported water deliveries for 2017 comparable to the last two years.

8.B.2 Miramar Operations Report December 2017

Chief Engineer/Operations Officer Mario Garcia provided the December 2017 report. Water quality continues to meet all state requirements with no violations during the month.

Total plant production for the month was 1115.5/AF, approximately 61% of capacity. For the fourth consecutive month groundwater wells 1 and 2 delivered greater than the prior year for a total of 113.8/AF compared to 75.4/AF in the prior year. Year-to-date sales were a combined total of 9477.4/AF, approximately 103% of budget. Hydrogeneration sales were under budget at most sites due to low pressure in the lines or work at the Hydro Plants (Miramar & Fulton).

Mr. Garcia reviewed special activities/outages and outreach which included:

- Miramar Plant and distribution system shut down for video inspection of manways.
- Leaking valve repaired at Thompson Creek.
- Annual maintenance to chlorine scrubber and ammonia diffuser systems.
- Calibration of the distribution connection meters.
- There were two scheduled outages, one at Williams and another at Indian Hill to allow SCE to complete planned work.
- One unplanned power outage occurred, and the generator ran during this time.

The complete report is available upon request. Staff informed the planned annual maintenance shut down will occur during February 2018.

9. Directors' /General Manager Oral Reports

Several agencies were dark during the month of December or have not yet met in January. The below updates are for agencies that have met in January.

9.A Local Agency Formation Commission – Director Ruzicka reported that there was much discussion on SB 778 (Hertzberg) and the proposed authorities that will be removed from local agencies if this bill passes. SB 778 is like previous legislation, SB 88, that failed. LAFCO continues to watch this bill and will likely take an opposition position. The full agenda from this meeting is available for review.

9.B Chino Basin Watermaster – General Counsel, Steve Kennedy provided an update on the safe yield appeal. A motion was filed on the appeal to reset the safe yield. A term sheet has been prepared and circulated among the parties; it is anticipated that the proposed terms may resolve outstanding issues relative to the safe yield. The parties to the appeal have requested the court to confirm to stay the motion on the appeal, and to extend the hearing date from February 2018 to September 2018; the court has agreed to this request. The next step will be to route the term sheet through the various pools. The TVMWD Board was also advised that Chino Basin Watermaster is considering realignment of its current board composition.

9.C Metropolitan Water District – Director De Jesus reported on the January 9, 2018 Board Meeting. Following are notable reports received and actions taken at this meeting:

- DWR has announced the initial allocation of State Water Project water at 15%. MWD will continue to contribute to its imported deliveries into the basin at least through the end of January 2018.
- A report on CY 2017 water deliveries was shared with a total of 1.2 million acre-feet of water delivered from north to south. Inflows were reduced at the Colorado River to a two-point flow, and to deliver water to Lake Mead. Water will continue to be delivered to southern California under the cyclic storage program.

- The MWD Board appropriated funds to authorize preliminary design to rehabilitate prestressed concrete cylinder pipe along several of its pipelines and feeder lines. TVMWD is working with MWD, because this work will result in periodic shut downs at the Miramar Treatment Plant.
- Colorado River Aqueduct will be shut down February 13-March 9, 2018.
- San Jacinto Tunnel will be shut down March 5-6, 2018
- The Executive Board will continue its meetings with San Diego County Water Authority, with the next meeting scheduled for January 19, 2018.
- MWD is working on ramping up security and vulnerability issues at MWD Headquarters and other facilities.

Director Mendoza inquired about conservation efforts relative to rebates being considered by MWD. Director De Jesus informed that MWD is committed to continuing its efforts toward water use efficiency and offers classes on a regular basis. Specifics regarding amounts for rebates were not available; Mr. Hansen informed that he believes there are budget dollars committed for this.

9.D Additional Board Member or Staff Reports

President Kuhn inquired about news reports about the water agencies/electric agencies being sued due to the floods and mud slides in the Montecito area. He is interested in knowing what the water agency could have done differently. Mr. Kennedy indicated he is familiar with water system immunity precedents and that amicus briefs have been filed in past matters relative to this.

10. Future Agenda Items

There were no requests for future agenda items.

11. Adjournment

The Board adjourned at 8:55 am to its next regular meeting scheduled for Wednesday, February 7, 2018 at 8:00 am.

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

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