

MINUTES
REGULAR BOARD OF DIRECTORS MEETING
THREE VALLEYS MUNICIPAL WATER DISTRICT

Wednesday, February 21, 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 the full board present.

Directors Present

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

Directors Absent

None

Staff Present

Rick Hansen, General Manager
Steve Kennedy, Legal Counsel
Dominique Aguiar, Water Operations Supervisor
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: Bob Bowcock, Integrated Resource Management; Steve Corrington, MIH Water; Tom Coleman, Rowland Water District; Paul DiMaggio, Suburban Water Systems; Director Ted Ebenkamp, Walnut Valley Water District; Director Ed Hilden, Walnut Valley Water District; Erik Hitchman, Walnut Valley Water District; Michael Hurley; Brad Jensen, San Gabriel Valley Economic Partnership; Director Tony Lima, Rowland Water District; Director Szu Pei Lu-Yang, Rowland Water District; Dean McHenry, League of Women Voters; Steve Patton, City of Glendora; Darron Poulsen, City of Pomona; Miguel Santana, Fairplex Association; Ludd Trozpek, Claremont resident; 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 two public comment requests as follows:

Brad Jensen, Director of Public Policy, San Gabriel Valley Economic Partnership addressed the Board to thank them for their support, and to share the new 2018 Legislative Guide that has been produced in part by the District's Membership. The Board was also provided a copy of the Partnership's Annual Report, that provided a summary of activities during the past year.

Ludd Trozpek, Claremont resident, Via Padova Avenue. Mr. Trozpek addressed the Board to inquire about the cause of the recent water outage in north Claremont on February 6. Board President, Bob Kuhn, requested the General Manager provide a response. Mr. Hansen advised the outage occurred during TVMWD's planned annual maintenance, that had been coordinated with the member agencies during the preceding four months. It was discovered that Golden State Water Company, the retail provider, did not have adequate supplies in its reservoirs to meet its customer's demands. It was also shared that imported water delivered by Three Valleys is a supplemental source, and that all member agencies, by agreement, are required to have a minimum of seven days supplies available at its delivery sources to meet customer needs.

7. Consent Calendar

The Board was asked to consider the consent calendar items (7A-7F) for the February 21, 2018 Board meeting that included: (7A) receive, approve and file, January 2018 Minutes for January 3, 2018 and January 17, 2018; (7B) receive, approve and file financial reports and investment update January 2018; (7C) receive FY 2017-18 second quarter reserve update; (7D) approve Resolution No. 18-02-818 Tax Sharing Exchange with County Lighting Maintenance District 1687, Annexation L-007-2009; (7E) receive and file updates to the TVMWD Purchasing Policy; (7F) receive calendar year imported water purchases report, January 2018.

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. 18-02-5164 – Approving Consent Calendar Items 7A
– 7F for February 21, 2018. The motion passed by a 7-0
unanimous vote.**

8. General Manager's Report

8.A – Administration

8.A.1 Legislative Update, February 2018

The Board was provided a legislative update for February 2018 that addressed some bills TVMWD may act on, as well as updates on the state draft budget, California WaterFix and legislative vacancies. The Board will be provided its first legislative status report during the second meeting in March.

February 16, 2018 was the last day to introduce new legislation. TVMWD is presently working with its lobbyist to prioritize those bills for action. TVMWD is monitoring two carryover bills from the prior year, and one new bill as follows:

SB 778-Hertzberg: granting the State Water Resources Control Board greater authority in consolidations, and bypassing California Local Area Formation Commission is being monitored. It is anticipated that TVMWD will act to oppose this legislation.

SB 623-Monning: granting the State Water Resources Control Board to establish a public goods charge to assist low performing agencies in their effort to provide safe and affordable drinking water. TVMWD has acted to oppose this legislation.

SB 998-Dodd: requiring retailers to extend service for customer non-payment for at least 60 days. TVMWD has taken a watch position on this legislation.

There are several leadership changes pending at the state level. A special election is scheduled for April 2018 to fill three vacant seats. There will also be a recall election for Senator Josh Newman, District 29. Two legislators, Assembly Member Christina Garcia, and Senator Tony Mendoza, District 32 are on leave of absence, pending outcomes of harassment claims. Senators Mendoza and Newman serve the Three Valleys service area. These vacancies have resulted in the elimination of a super majority for the Democrat party.

Notable items to be included on the June 2018 Primary Election include, passage of Proposition 68, authorizing \$4.1 billion in general obligation bonds to finance water and park projects, climate change preparedness, coastal protection and outdoor access. TVMWD will bring a resolution of support on this item to the March 21, 2018 meeting for Board consideration.

Notable items planned for the November 2018 General Election include, all Assembly seats and half of the Senate seats are up for election. It is expected that changes will result due to term limits and challengers. A second water bond, in the amount of \$8.9 billion to fund a wide range of projects from safe drinking water to Sustainable Groundwater Management Act (SGMA) implementation, and watershed improvements. Proponents are collecting signatures to qualify the measure.

The initial budget has been introduced by Governor Brown with a planned \$6.1 billion surplus. This may change during the May revision. The FY 2018-19 budget is expected to be adopted on time.

8.A.2 Approve Director Expense Reports, January 2018

The Board was asked to approve the January 2018 expense reports. Upon motion and second the floor was opened for discussion. There being no discussion President Kuhn called for the vote.

Moved: Goytia; Second: Horan
Motion No. 18-02-5165 – Approve payment of January 2018 director expense reports. The motion passed by a 7-0 unanimous vote.

8.B – Engineering and Operations

8.B.1 Award TVMWD Grand Avenue Well (Phase 1 – Drilling / Development) Construction Project No. 58446

The Board was advised that CEQA has been completed on the referenced project, and the notice inviting bids was advertised during December 2017. A total of three bids were received ranging from \$785,000-\$1,200,000. Staff is recommending the award be made to the lowest probable bidder, South West Pump and Drilling in the amount of up to \$900,000. The additional funding is being recommended to cover the anticipated slow drilling conditions that have been identified. Upon motion and second the floor was opened for discussion. There being no discussion, President Kuhn called for the vote.

Moved: Bowcock; Second: De Jesus
Motion No. 18-02-5166 – Approve award of Project No. 58446, TVMWD Grand Avenue Well (Phase 1 – Drilling / Development), to South West Pump and Drilling in the amount of up to \$900,000. The motion passed by a 7-0 unanimous vote.

8.B.2 Project Summary Update

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

8.B.3 Miramar Operations Report January 2018

Water Operations Manager, Steve Lang provided the January 2018 report. Water quality continues to meet all state requirements with no violations during the month. Total Trihalomethanes were at historic lows of 34.5-43.2 µg/l compared to the maximum contaminant level of 80 µg/l.

Total plant production for the month was 1,112.3/AF, approximately 60% of capacity. For the fifth consecutive month groundwater wells 1 and 2 delivered greater than the prior year for a total of 119.6/AF compared to 49.0/AF in the prior year. Year-to-date sales were a combined total of 8,854.6/AF, approximately 121% of budget. Hydrogeneration sales were under budget at most sites. Miramar #1 will be returned to service by end of the month. Miramar #3 has continued to produce as expected during low pressure in the lines.

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

- Maintenance of the north/south sedimentation basins.
- MWD maintenance on PM-21 pressure transmitter.
- Coordination meeting with member agencies for planned annual maintenance shutdown.
- There was one scheduled outage, at the Live Oak spreading grounds to allow SCE to complete planned maintenance.
- Student field trips for several Glendora elementary schools and Western Christian Academy high school were facilitated by staff.

The complete report is available upon request.

Following his report, Mr. Lang provided a photographic summary of the CY 2018 annual maintenance of TVMWD's Miramar Water Treatment Plant. Staff responded to questions regarding specific projects referenced.

8.C – Finance and Personnel

8.C.1 Strategic Plan FY 2018-19 Draft

The Board was provided a review of the proposed FY 2018-19 Strategic Plan. The purpose of the Strategic Plan is to provide guidance on planned activities in support of TVMWD Mission and Vision Statements. Notable additions to the FY 2018-19 Strategic Plan included an updated organizational chart to add the Assistant General Manager position, an update to the five-year capital plan projects to enhance groundwater production. Once approved, staff will include the Strategic Plan on the District website to keep all stakeholders informed of TMVWD's strategic priorities. Upon motion and second the floor was opened for discussion. There being no discussion, President Kuhn called for the vote.

<p>Moved: Bowcock; Second: Goytia Motion No. 18-02-5167 – Approve draft FY 2018-19 Strategic Plan. The motion passed by a 7-0 unanimous vote.</p>

8.C.2 FY 2018-19 Budget Review Schedule

The Board was provided with the planned FY 2018-19 budget review schedule. The budget workshop is scheduled to be held during our next meeting on March 7, 2018. Following review by the Board, staff will be sharing the budget with the member agencies and return with any adjustments during the first meeting in April. It is anticipated the Board will approve the budget during its April 18, 2018 meeting. It was noted that MWD is scheduled to adopt their CY 2019 water rates and charges during their April 10, 2018 meeting.

9. Directors' /General Manager Oral Reports

The Directors reported on activities at various meetings they attend on behalf of TVMWD.

9.A Local Agency Formation Commission – Director Ruzicka reported on discussion surrounding the status of the Santa Clarita Water Agency merger of Castaic Lake Water Agency and Newhall Ranch Water Agency. While the decision

regarding the actual merger lies with the Governor because of the passage of SB 634, the law does permit LAFCO to retain authority to set certain conditions. This is presently being evaluated.

9.B PWR-JWL Commission – Director Horan reported on the meeting held on February 15, 2018. During this meeting the annual rotation of officers was conducted. Tony Lima, Rowland Water District will be the chair for 2018. The next meeting is scheduled for June 21, 2018.

9.C Main San Gabriel Basin Watermaster – Director Bowcock reported on the most recent meeting. The key well is presently at 182.8' and will continue to increase slightly as precipitation occurs.

9.D Six Basins Watermaster- Director Bowcock reported there have not been any updates since the last meeting. The next meeting is scheduled for February 28, 2018.

9.E San Gabriel Valley Water Quality Authority – Director Kuhn reported on the most recent meeting. During this meeting the election of officers for FY 2018-19 took place. The same officers will serve for FY 2018-19 with Director Kuhn serving as Vice Chair. Director Kuhn reported there is consideration under review by Congress to introduce legislation to reinstate earmarks. Should this legislation move forward, WQA could be eligible for up to \$10 million for water quality remediation in the San Gabriel Valley.

9.F Chino Basin Watermaster – Director Kuhn reported that at its last meeting this board considered election of officers for CY 2018. Bob DiPrimio was elected as chairman and Jeff Pierson was elected as vice chairman. Jeff VandenHeuvel stepped down after many years of service as he is moving out of the area.

9.G Pomona City Council – Director Mendoza reported on the recent city council meeting. Water related actions taken included the extension of a first amendment to the agreement between the City and RMC to develop a Sewer and Recycled Water Strategic Plan. The Council was also provided information regarding a proposed agreement for water meter replacements throughout the city. Discussions occurred following closed session regarding evaluation of City Attorney, City Manager and City Clerk, prior to a proposed RFP being issued for new legal services. Finally, during the February 26th meeting Director Goytia will be presented with the Pomona Goddess Award for his past service on the Park and Recreation Commission.

9.H San Gabriel Valley Council of Governments – No report provided.

9.I Metropolitan Water District – Director De Jesus reported on information from the most recent board and committee meetings.

- The first budget workshop was held. The outcome of this session projected a 4% overall increase for CY 2019, with increase in projections of 3% for each of the outlying ten years. These

projections are based upon an assumption that MWD delivers 1.8 million acre-feet of water by 2021.

- A summary of the costs and benefits were reviewed based upon the current proposal for the California WaterFix of moving to a single tunnel.
- An update on MWD OPEB pension funding was provided. The board is evaluating formation of a 115 trust to buy-down future pension debt.

9.J Additional Board Member or Staff Reports / Comments

- Director Mendoza informed that Scott Slater presented at last week's American Groundwater Trust Conference. It was commented from the lectern that it would be ideal if the Cadiz project could be brought to fruition prior to the next election.
- Mr. Miguel Santana, CEO of Fairplex was in the audience, and invited to provide the Board with an update of programs underway and planned for the Fairplex community.
- Director Bowcock reminded everyone to save the date for the next San Gabriel Valley Water Forum that will be held at the Fairplex Convention Center on September 18, 2018.

10. Future Agenda Items

There were no requests for future agenda items.

11. Adjournment

The Board adjourned at 9:36 am to its next regular meeting scheduled for Wednesday, March 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