



THREE VALLEYS MUNICIPAL WATER DISTRICT
REGULAR BOARD MEETING MINUTES

Wednesday, March 6, 2024 | 8:00 a.m.

1. CALL TO ORDER

The Board meeting was called to order at 8:00 a.m. at the District office located at 1021 East Miramar Ave., Claremont, CA, and via teleconference. The presiding officer was President Jody Roberto.

2. ROLL CALL

Roll call was taken with a quorum of the Board present.

DIRECTORS PRESENT

Jody Roberto, President
Mike Ti, Vice President
Carlos Goytia, Secretary/Treasurer
David De Jesus, Director
Jeff Hanlon, Director
Bob Kuhn, Director
Danielle Soto, Director

STAFF PRESENT

Matthew Litchfield, General Manager
Steve Kennedy, Legal Counsel
Dominique Aguiar, Operations Supervisor
Brittany Aguilar, Finance Manager
Nadia Aguirre, Executive Assistant
David Dransfeldt, Water Resources Intern
Freeman Ensign, Operations Supervisor
Karen Harberson, Compliance Specialist
Kirk Howie, Chief Administrative Officer
Steve Lang, Chief Operations Officer
Sylvie Lee, Chief Water Resources Officer
Kevin Panzer, Engineer
Brian Pen, Water Resources Analyst
Robert Peng, I.T. Manager
Marissa Turner, Admin. Communications Assist.
Jose Velasquez, Chief Finance Officer

Virtual Attendees: Josh Byerrum, Walnut Valley Water District; Ed Chavez, Upper San Gabriel Valley Municipal Water District; Kelly Gardner, Main San Gabriel Basin Watermaster; Ed Hilden, Walnut Valley Water District; Tony Lima, Rowland Water District; Myra Malner, Rowland Water District; Meg McWade, City of La Verne; Jacquelyn Mercado, Metropolitan Water District; Stephanie Moreno, Water Quality Authority; Sue Sims, Metropolitan Water District; Margie Wheeler, Metropolitan Water District; Henry Woo, Walnut Valley Water District, Richard

In person attendees: John Bellah, Rowland Water District; Tom Coleman, Rowland Water District; Chris Diggs, City of Pomona; Victoria Hahn; Jared Macias, Walnut Valley Water

District; Dave Michalko, Valencia Heights Water Company; Dusty Moio, Rowland Water District; Adan Ortega, Metropolitan Water District; Sherry Shaw, Walnut Valley Water District; Yvette Martinez, Metropolitan Water District; Jennifer Stark, City of Claremont; Deven Upadhyay, Metropolitan Water District

3. FLAG SALUTE

President Roberto led the flag salute.

4. DIRECTOR REMOTE PARTICIPATION PURSUANT TO AB 2449

A. NOTIFICATION DUE TO JUST CAUSE

Director Kuhn attended the meeting virtually due to just cause.

B. REQUEST DUE TO EMERGENCY CIRCUMSTANCES

There were no requests submitted by any Directors for remote participation due to Emergency Circumstances, and therefore no motion was needed for this item.

5. AGENDA REORDER/ADDITIONS

No reorder or additions to the agenda were requested.

6. PUBLIC COMMENT

President Roberto opened public comment and there was none.

7. PRESENTATIONS

A. REVIEW OF METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA'S CLIMATE ADAPTATION MASTER PLAN FOR WATER AND PRIORITIES UPDATE BY MWD BOARD CHAIR ADÁN ORTEGA

MWD Board President Adán Ortega provided a briefing on MWD's Climate Adaptation Master Plan for Water (CAMP4W), Delta Bay, and the biennial budget. MWD will host a series of four board workshops and finalize the biennial budget in April 2024. The Chief Finance Officer will brief Member Agency Boards on capital improvements, staffing plans, the State Water Project, and Colorado River costs. The current proposal would raise rates primarily to restore dwindling reserve funds with a 13% increase in 2025 and an 8% increase in 2026.

Executive Officer Upadhyay reported on the call to action for water reduction in August 2022 for SWP dependent agencies such as Three Valleys. That call to action prompted MWD to develop a portfolio of investments to avoid the need to do that again, including new facilities and programs such as the Diamond Valley Lake pump-back to Mills and the cost offset program through demand shifting. The CAMP4W process will evaluate new reliability projects such as new conveyance, reservoirs, and supply for implementation decisions.

B. TVMWD TEAM ACHIEVEMENTS & MILESTONES

Water Resources Analyst Brian Pen and Water Resources Intern David Dransfeldt were presented with their one-year anniversary service pin.

ACWA JPIA awarded the district with a risk control grant in the amount of \$8,600 for a district drone program. Engineer Panzer reported that the drone will assist the district with construction management, risk management, and safety and emergency practices.

8. GENERAL MANAGER'S REPORT

A. SALARY SCHEDULE REVIEW EFFECTIVE JULY 1, 2024

Chief Finance Officer Velasquez reported that the proposed salary schedule increase of 2.56% will be effective July 1, 2024. The increase is based on the 2023 Consumer Price Index for Urban Wage Earners and Clerical Workers. Changes are to salary ranges and not to individual employee salaries. The Board discussed the difference between a merit increase and a cost-of-living adjustment.

B. FISCAL YEAR 2024-25 BUDGET WORKSHOP

Chief Finance Officer Velasquez reviewed the proposed budget for 2024-25. The current TVMWD water rate is \$1,264 and the proposed 2025 rate is \$1477. Three Valleys is not able to offer a discounted rate in 2025 or fixed costs will not be covered. The budget structure is comprised of a pass-through fund, capital fund, and operating fund. MWD's standby charge is based on a 10-year rolling average of TVMWD. MWD's standby charge will increase from \$28.54 to \$30.61 for FY 24-25. The current parcel tax revenues of \$29.41 per Equivalent Dwelling Unit (EDU) is not enough to recover the current year's rates; the shortage is \$1.20 per EDU. Costs will be passed on to the Member Agencies based on a pro rata share of their individual EDU count. Alternative rate options were presented. The Capacity charge per CFS will drop from \$11,200 to \$10,800 for CY 2025 for a total charge of \$1.2 million. The capital fund expenditures 5-year estimated expense is \$17.6 million and the 5-year estimated property revenue is \$15.5 million, putting Three Valleys at a \$2.1 million deficit that can be funded either through an increase in the fixed charge or through reserves.

Alternative Rate Option No. 1 – maintain status quo with Three Valleys surcharge remaining at \$8 per acre foot (AF) and fixed charges assessment remaining at 10%.

Alternative Rate Option No. 2 – increase the Three Valleys surcharge to \$12/AF and increase the fixed charge assessment to 15%.

Alternative Rate Option No. 3 – increase the Three Valleys surcharge to \$16/AF and increase the fixed charge assessment to 20%.

The next steps are to meet with MWD to further discuss options; a Member Agencies meeting will be held next week.

Rowland Water District General Manager Tom Coleman provided a member agency perspective on the rate impact to retail agencies.

C. CSDA COMMERCIAL CARD PROGRAM REBATE

Finance Manager Aguilar reported that Three Valleys earned a \$5,561 rebate for CY 2023 through CSDA's commercial card rebate program. The district earns 1% on each dollar spent. The rebate was a 36% decrease from last calendar year. Due to the transition in the Finance Department, there was a reduction in credit card payments and payments were made to vendors primarily by check.

D. REVIEW OF THE EMPLOYEE HANDBOOK

Chief Administrative Officer Howie reviewed modifications made to the Employee Handbook (Handbook). The Handbook was reviewed by JPIA and shared with staff for feedback. New policies, language updates and statutory leaves such as Reproductive Leave, Organ or Bone Marrow Leave, and Crime were added to the Handbook. This item will be brought back to the March 20, 2024 Board meeting for consideration of approval.

E. CSDA BOARD OF DIRECTORS CALL FOR NOMINATIONS – SEAT A

CSDA has opened the call for nominations for the Board of Directors Seat A, term 2025-27. The nominations deadline April 10, 2024. A resolution will need to be adopted by the Board for any Director wishing to be nominated. Board Members will be introduced at the Annual Conference in Indian Wells in September 2024.

9. DIRECTORS' / GENERAL MANAGER'S ORAL REPORTS

A. METROPOLITAN WATER DISTRICT

Director De Jesus had nothing new to report.

B. CHINO BASIN WATERMASTER

Director Kuhn reported they are in negotiations with the new General Manager.

C. SAN GABRIEL BASIN WATER QUALITY AUTHORITY

Director Kuhn had nothing new to report.

D. MAIN SAN GABRIEL BASIN WATERMASTER

Director Ti reported Russ Bryden has been hired as the new Executive Officer upon Tony Zampello's pending retirement.

E. SIX BASINS WATERMASTER

Director Hanlon had nothing new to report.

F. ADDITIONAL BOARD MEMBER REPORTS

No additional comments were provided.

G. GENERAL MANAGER'S COMMENTS

General Manager Litchfield stated the Leadership Breakfast was a success and multiple compliments from guests were received.

10. CLOSED SESSION

The Board did not convene into closed session as there was nothing new to report.

11. FUTURE AGENDA ITEMS

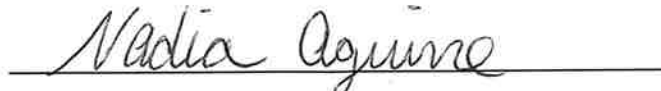
No future agenda items were requested.

12. ADJOURNMENT

President Roberto adjourned the meeting at 11:07 a.m. to the next regular board meeting scheduled for Wednesday, March 20, 2024.



Jody Roberto
President, Board of Directors



Recorded by: Nadia Aguirre
Executive Assistant