



THREE VALLEYS MUNICIPAL WATER DISTRICT REGULAR BOARD MEETING MINUTES

Wednesday, April 3, 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
Freeman Ensign, Operations Supervisor
Karen Harberson, Compliance Specialist
Kirk Howie, Chief Administrative Officer
Steve Lang, Chief Operations Officer
Sylvie Lee, Chief Water Resources Officer
Brian Pen, Water Resources Analyst
Robert Peng, I.T. Manager
Marissa Turner, Admin. Communications Assist.
Jose Velasquez, Chief Finance Officer

Virtual Attendees: Adam Benson, Metropolitan Water District; Kristi Foy, Arnold and Associates; Rob Garcia; Kelly Gardner, Main San Gabriel Basin Watermaster; Ed Hilden, Walnut Valley Water District; Katano Kasaine, Metropolitan Water District; Jared Macias, Walnut Valley Water District; Meg McWade, City of La Verne; Dave Michalko, Valencia Heights Water Company; Toby Moore, Golden State Water Company; Stephanie Moreno, Water Quality Authority; Gabby Palomares, Rowland Water District; Wendy Saavedra, Assembly Member Rubio's Office; Sherry Shaw, Walnut Valley Water District; Arnout Van Den Berg, Metropolitan Water District; Henry Woo, Rowland Water District; (909)538-9296

In person attendees: John Bellah, Rowland Water District; Josh Byerrum, Walnut Valley Water District; Tom Coleman, Rowland Water District; Chris Diggs, City of Pomona; Ben Lewis, Golden State Water Company; Tony Lima, Rowland Water District; Jared Macias,

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Walnut Valley Water District; Myra Malner, Rowland Water District; Sherry Shaw, Walnut Valley Water District; Jennifer Stark, City of Claremont

3. FLAG SALUTE

President Roberto led the flag salute.

4. DIRECTOR REMOTE PARTICIPATION PURSUANT TO AB 2449

A. NOTIFICATION 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. METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA BIENNIAL BUDGET PRESENTATION

MWD Chief Finance Officer Katano Kasaine, Group Manager -Finance Adam Benson, and Section Manager – Revenue & Budget Arnout Van Den Berg briefed the Board on MWD's proposed biennial budget for FY's 2024/25 and 2025/26, and water rates and charges for CY's 2025 and 2026. Four different rate scenarios that MWD is contemplating for the FY 24-25 biennial budget were reviewed. The Board is considering lowering the estimated water transactions to 1.34 million acre-feet (MAF). The Board is also considering increasing the property tax rate that recovers a portion of the State Water Project allocations. The current property tax rate has been fixed at 0.0035% since FYE 2014. The potential increase varies depending on the scenario chosen. Another consideration the Board is looking at is potentially reducing conservation to \$1.7 million for FY 24/25 and \$5 million/year for FY 25/26 and FY 26/27 then back to \$30.5 million/year. The Board is considering assuming \$60 million in new one-time revenue each year of the biennial. Lastly, they are considering making short term cuts to the departmental operation and maintenance for FY 24/25 and FY 25/26. Currently, each scenario that the board is

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contemplating includes a property tax rate increase in combination with the rates at 1.34 million acre feet of water. The MWD Board will take action on the biennial budget and calendar year water rates and charges on April 9, 2024.

B. LEGISLATIVE UPDATE BY ARNOLD AND ASSOCIATES

Ms. Kristi Foy reported that this is the second year of the 2023-24 session. Any bills that did not make it to the Governor's desk last year will still have an opportunity this year as two-year bills. The state's budget deficit can be as high as \$70 billion; a clearer view will be provided in May after tax season. More than sixty-one bills are currently being tracked, with six bills being supported. Key bills are SB 366 – California Water for All is a two-year bill and is currently in the Assembly Water, Parks and Wildlife Committee. Other key bills being tracked and supported have to do with water and sewer fees assessments, emergency water supplies, and water use variances. Potential water resources bond bills include SB 867, SB 638, AB 305, and AB 1567. In the Three Valleys service area, Assembly members Holden and Rodriguez are termed out and waiting for the election results to be certified by April 12th. Senator Portantino is termed out this year and the new senator will be selected in the November election. Ms. Foy, President Roberto, Vice President Ti, and staff will meet with legislative representatives in Sacramento on April 24, 2024. They will be updated on key issues in the Three Valleys service area.

8. GENERAL MANAGER'S REPORT

A. REVIEW OF FY 2024-25 WATER STANDBY CHARGE

Finance Manager Aguilar reviewed the FY 24-25 water standby charge and its implementation schedule. MWD assesses each member agency a readiness to serve (RTS) charge in order to recover capital costs associated with standby and emergency water service needs. The district is authorized to levy an assessment on parcels within its jurisdiction to recover and fund the RTS charge. The district works with an independent engineer to estimate the standby charge per equivalent dwelling unit (EDU). The standby charge is estimated at \$29.41 per EDU for FY 2024/25. The standby charge resulted in a shortfall for the revenue requirement. Staff has been working with the Board and member agencies on a method on how to collect the shortfall. The Board will consider adopting a resolution of intention at the April 17 board meeting, and a Public Hearing will be held on June 19 for the Board to consider a resolution adopting the standby charge.

B. 2024-29 STRATEGIC PLAN

General Manager Litchfield reported on the updated 24-29 Strategic Plan (Plan). Four Strategic Planning workshops were held with the Board in 2023 to review goals, objectives, and priorities. Moving forward, the Plan will be updated as the overall goals and objectives of Three Valleys change, the Capital Improvement Plan will be included in the budget

process, and the General Manager's work plan will be brought to the board each June for review and approval. Succession planning was another important topic discussed during the workshops and is being worked on by staff. General Manager Litchfield thanked Chief Water Resources Officer Lee for her efforts on the Plan.

9. DIRECTORS' / GENERAL MANAGER'S ORAL REPORTS

A. METROPOLITAN WATER DISTRICT

Director De Jesus stated his appreciation for the General Manager and his time attending all the MWD meetings.

B. CHINO BASIN WATERMASTER

Director Kuhn reported the new General Manager's contract at Watermaster was ratified and he will start on April 15, 2024.

C. SAN GABRIEL BASIN WATER QUALITY AUTHORITY

Director Kuhn had nothing new to report.

D. MAIN SAN GABRIEL BASIN WATERMASTER

Director Ti had nothing new to report.

E. SIX BASINS WATERMASTER

Director Hanlon reported a new artesian spring has popped up by Pilgrim Place and flowing down the street and into the drain. It is likely a perched part of the aquifer, water is coming in naturally through the natural drainage on the landscape. None of the spreading from the basin is having any effect on the spreading from the spring. Hydrologists are working on this and there is no estimate of how long the spring will flow.

F. ADDITIONAL BOARD MEMBER REPORTS

Director Kuhn requested a discussion on director compensation based on the Consumer Price Index. This will be added as a future agenda item.

Director Ti thanked General Manager Litchfield and Chief Finance Officer Velasquez for developing the district budget and for taking the time to educate him. He also thanked them for meeting with the member agencies and addressing their concerns.

Director Hanlon agreed with Director Ti's sentiment and thanked Director De Jesus for putting in all the hours at MWD.

Director De Jesus recognized Chief Operations Officer Lang and the Operations team for their hard work. He appreciates Director Hanlon's feedback on MWD matters.

G. GENERAL MANAGER'S COMMENTS

General Manager Litchfield stated he will attend a meeting on SB 366 tomorrow where the strategy for the Water, Parks, and Wildlife Committee meeting will be discussed. The MWD Inspection trip will be held April 19-20, 2024. Summer tours are already being planned for July and August and notifications will be sent upon confirmation.

10. CLOSED SESSION

The Board convened into closed session at 10:08 a.m. to discuss the following items:

A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION [Government Code Section 54956.9(d)(1)]

Name of Case: Chino Basin Municipal Water District v. City of Chino, et al., San Bernardino County Superior Court Case No. RCV RS 51010

B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION [Government Code Section 54956.9(d)(1)]

Name of Case: San Diego County Water Authority v. Metropolitan Water District of Southern California, et al., San Francisco County Superior Court Case No. CPF-14-514004 (Consolidated with Case Nos. CPF-16-515282 and CPF-18-516389)

C. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Government Code Section 54957)

Title: Matthew H. Litchfield, P.E., General Manager

D. CONFERENCE WITH LABOR NEGOTIATORS (Government Code Section 54957.6)

- District Designated Representative: Steven M. Kennedy, General Counsel
- Unrepresented Employee: Matthew H. Litchfield, P.E., General Manager

The Board convened out of closed session and into open session at 12:40 pm. Legal Counsel Kennedy stated items 10.A and 10.B were discussed and no reportable action was taken.

With respect to Item 10.C, the Board conducted a performance evaluation of its General Manager and determined he exceeds standards under the terms of the contract and engaged in labor negotiations. The General Manager agreed to the following changes to his agreement: by virtue of exceeds standards findings the General Manager's term of his agreement was extended through June 30, 2029, the annual base salary was increased to \$345,000 per year, the 401a contribution was increased to \$12,500 per year, and severance payment for a without cause termination was increased to 12 months. No other changes to the contract were made.

11. FUTURE AGENDA ITEMS

Other than Director Kuhn's previous request, there were no other future agenda items requested.

12. ADJOURNMENT

President Roberto adjourned the meeting at 12:42 p.m. to the next regular board meeting scheduled for Wednesday, April 17, 2024.



Jody Roberto
President, Board of Directors



Recorded by: Nadia Aguirre
Executive Assistant