



BOARD OF DIRECTORS REGULAR MEETING

DATE :
APRIL 3, 2024

TIME:
8:00 A.M.

-  1021 E. Miramar Avenue | Claremont, CA 91711
-  www.threevalleys.com
-  909.621.5568

The mission of Three Valleys Municipal Water District is to supplement and enhance local water supplies to meet our region's needs in a reliable and cost-effective manner.



THREE VALLEYS MUNICIPAL WATER DISTRICT REGULAR BOARD MEETING AGENDA

1021 E. Miramar Avenue, Claremont, CA 91711
April 3, 2024 – 8:00 AM

The mission of Three Valleys Municipal Water District is to supplement and enhance local water supplies to meet our region's needs in a reliable and cost-effective manner.

NOTICE OF VIDEOCONFERENCE/TELECONFERENCE ACCESSIBILITY

Three Valleys MWD will hold this meeting of its Board of Directors on the date and time, and at the location set forth above. The public may participate in the meeting by physical attendance at the meeting or by videoconference or teleconference utilizing the following links:

Link to join webinar: <https://tvmwd.zoom.us/j/88954827455>

OR

Dial in: (669) 900-9128, Webinar ID: 889 5482 7455

Any member of the public wishing to participate in public comment may do so in any of the following manners: (1) by using the "Raise Hand" feature on the Zoom platform and when prompted by the Board President during the public comment period, (2) by filling out the electronic speaker's card at the following link <https://arcg.is/0z5GqQ> prior to the close of public comment, (3) by sending an email to PublicComment@tvmwd.com prior to the close of public comment, or (4) those attending the meeting in person may complete a speaker's card and provide it to the Executive Assistant prior to the close of public comment.

- | | |
|--|---------|
| 1. CALL TO ORDER | ROBERTO |
| 2. ROLL CALL | AGUIRRE |
| Jody Roberto, President
Mike Ti, Vice President
Carlos Goytia, Secretary/Treasurer
David De Jesus, Director
Jeff Hanlon, Director
Bob Kuhn, Director
Danielle Soto, Director | |
| 3. FLAG SALUTE | ROBERTO |

4. DIRECTOR REMOTE PARTICIPATION PURSUANT TO AB 2449 *[Government Code Section 54953(f)]* ROBERTO

A. NOTIFICATION DUE TO JUST CAUSE

B. REQUEST DUE TO EMERGENCY CIRCUMSTANCES

BOARD ACTION REQUIRED ITEM 4.B

Staff Recommendation: None

5. AGENDA REORDER/ADDITIONS *[Government Code Section 54954.2(b)(2)]* ROBERTO

Additions to the agenda may be considered when two-thirds of the board members present determine a need for immediate action, and the need to act came to the attention of TVMWD after the agenda was posted; this exception requires a degree of urgency. If fewer than two-thirds of the board members are present, all must affirm the action to add an item to the agenda. The Board shall call for public comment prior to voting to add any item to the agenda after posting.

6. PUBLIC COMMENT *(Government Code Section 54954.3)* ROBERTO

Opportunity for members of the public to directly address the Board on items of public interest within its jurisdiction. The public may also address the Board on items being considered on this agenda. TVMWD requests that all public speakers complete a speaker's card and provide it to the Executive Assistant.

We request that remarks be limited to three minutes or less. Pursuant to Government Code Section 54954.3, if speaker is utilizing a translator, the total allotted time will be doubled.

7. PRESENTATIONS

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

B. LEGISLATIVE UPDATE BY ARNOLD AND ASSOCIATES HOWIE

- | | |
|---|---|
| <p>8. GENERAL MANAGER’S REPORT</p> <p>The Executive Leadership Team will provide brief updates on existing matters under their purview.</p> <p>A. REVIEW OF FY 2024-25 WATER STANDBY CHARGE</p> <p>The Board will review the proposed schedule to initiate the FY 24-25 water standby charge.</p> <p>B. 2024 – 2029 STRATEGIC PLAN</p> <p>The Board will review the updated Strategic Plan.</p> | <p>LITCHFIELD</p> <p>AGUILAR</p> <p>LITCHFIELD</p> |
| <p>9. DIRECTORS’/GENERAL MANAGER’S ORAL REPORTS</p> <p>Directors may report on activities for meetings to which they are assigned to serve as the representative or alternate of TVMWD and on other areas of interest.</p> <p>A. METROPOLITAN WATER DISTRICT</p> <p>B. CHINO BASIN WATERMASTER</p> <p>C. SAN GABRIEL BASIN WATER QUALITY AUTHORITY</p> <p>D. MAIN SAN GABRIEL BASIN WATERMASTER</p> <p>E. SIX BASINS WATERMASTER</p> <p>F. ADDITIONAL BOARD MEMBER REPORTS</p> <p>G. GENERAL MANAGER’S COMMENTS</p> | <p>ROBERTO</p> <p>DE JESUS</p> <p>KUHN</p> <p>KUHN</p> <p>TI</p> <p>HANLON</p> <p>ALL</p> <p>LITCHFIELD</p> |
| <p>10. CLOSED SESSION</p> <p>A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION [Government Code Section 54956.9(d)(1)]</p> <p>Name of Case: Chino Basin Municipal Water District v. City of Chino, et al., San Bernardino County Superior Court Case No. RCV RS 51010</p> | <p>ROBERTO</p> |

ITEM 10 CONTINUED

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

11. FUTURE AGENDA ITEMS

ROBERTO

12. ADJOURNMENT AND NEXT MEETING

ROBERTO

The Board will adjourn to a regular Board meeting on April 17, 2024.

In compliance with the Americans with Disabilities Act Government Code Section 54954.2(a), if special assistance is needed to participate in this public meeting, please contact the Executive Assistant at (909) 621-5568 at least 24 hours prior to the meeting.

Pursuant to Government Code Section 54957.5, materials related to an item on this agenda submitted after distribution of the agenda packet will be posted on the TVMWD website at www.threevalleys.com.


Three Valleys MWD Board meeting packets and agendas are available for review at www.threevalleys.com



BOARD INFORMATION

BOARD OF DIRECTORS
STAFF REPORT

To: TVMWD Board of Directors

From: Matthew H. Litchfield, General Manager 

Date: April 3, 2024

Subject: Review of FY 2024/2025 Water Standby Charge

Funds Budgeted: \$

Fiscal Impact: \$

Staff Recommendation

No Action Necessary – Informational Item Only

Background

On July 10, 1996, the District's Board of Directors adopted Resolution No. 7-96-361 which established a standby charge under the Act that was designed to fund the Readiness-to-Serve ("RTS") charge imposed upon the District by the Metropolitan Water District of Southern California ("MWD") and related administrative costs incurred by the District in connection therewith. Resolution No. 7-96-361 expressly provided that the District's standby charge was based upon the report of a qualified engineer which fixed that amount of the standby charge for the 1996-97 fiscal year at \$5.92 per equivalent dwelling unit ("EDU") and provided for the adjustment of that standby charge during subsequent fiscal years according to the actual amount by which the RTS charge increased, and subject to a maximum assessment amount of \$29.41 per EDU.

Discussion

MWD will adopt the RTS charge for CY 2025 and CY 2026 stating each MWD member agency's portion in the second quarter of 2024. TVMWD's portion of the MWD RTS charge for FY 2024/2025 increased from \$7.2 million to \$7.9 million. The funds will be collected on property taxes in the following manner:

- MWD will collect \$1.8 million via a water standby charge imposed on parcels within the Three Valleys’ service area at \$12.21 per parcel.
- TMMWD will collect \$5.6 million (plus \$72,000+ for other charges of the engineering report, county admin fees, public hearing notices and legal costs) via a water standby charge imposed based on EDU’s within TVMWD’s service area. The proposed standby charge for FY 2024/2025 for a typical residential homeowner will increase from \$28.44 to \$29.41 per EDU, which is the maximum assessment.
- The remaining \$0.5 million will be assessed to the District’s member agencies as a pass-through charge, proportionate to the EDUs within the member agency’s service areas.

Each year TVMWD must take steps to approve and implement this standby charge. The rate and methodology will be described in the Draft Engineer’s Report that will be provided at the Board Meeting on April 17, 2024.

The proposed schedule to implement the charge for the current year is as follows:

Task	Date
Harris & Associates to prepare a draft copy of the Engineer’s Report and electronically submit to TVMWD	3/28/24
Harris & Associates to electronically submit the Engineer’s Report to TVMWD for the Resolution of Intention Board Meeting	4/3/24
Resolution of Intention Board Meeting	4/17/24
TVMWD to publish Joint Public Meeting/Public Hearing Notice:	First notice Second notice Third notice
	4/24/24 5/1/24 5/8/24
Public Meeting to consider Resolution to Adopt Standby Charge	6/5/24
TVMWD to publish Public Hearing Notice:	First notice Second notice
	6/8/24 6/12/24
Harris & Associates to electronically submit the final Engineer’s Report to TVMWD for the Public Hearing	6/12/24
Public Hearing to consider Resolution to Adopt Standby Charge	6/19/24
Submit assessments to Los Angeles County	8/10/24
Submit levy correction to Los Angeles County	8/31/24
Submit diskette and report with applied levy summary to TVMWD	9/30/24

Environmental Impact

None

Strategic Plan Objective(s)

3.1 – Utilize and comply with a set of financial policies to maintain TVMWD’s financial health

3.3 – Be accountable and transparent with major decisions

Attachment(s)

None

Meeting History

None

NA/BA






BOARD INFORMATION

BOARD OF DIRECTORS
STAFF REPORT

To: TVMWD Board of Directors

From: Matthew H. Litchfield, General Manager 

Date: April 3, 2024

Subject: 2024 – 2029 Strategic Plan

Funds Budgeted: \$

Fiscal Impact: \$

Staff Recommendation

No Action Necessary – Informational Item Only

Background

In the past, Three Valleys Municipal Water District (“Three Valleys” or “District”) adopted annual updates to its Strategic Plan. In 2023, the Board held a series of workshops to discuss the strategic direction and priorities for Three Valleys. During those workshops, the Board and staff identified specific challenges for the District, near and long term. To provide a long-range vision, the decision was made to eliminate annual updates resulting in a five (5) year Strategic Plan for calendar years 2024 through 2029.

The 2024 - 2029 Strategic Plan (“Strategic Plan”) is derived from TVMWD’s mission and vision statements, as they provide a big picture perspective regarding TVMWD. The Strategic Plan outlines the challenges that need to be addressed and sets a roadmap for achieving TVMWD’s mission and vision.

Discussion

Attached for review is a draft of the Strategic Plan. Changes of note from the prior plan:

- Staff is proposing to eliminate the annual update of this plan. The document would be updated only as the overall goals and objectives of TVMWD change.

- This change eliminates the need to provide annually updated 5 Year Capital Improvement Plan (CIP). The CIP will be provided annually during budget adoption.
- This change also eliminates the need to set specific priorities for each objective for the fiscal year. These priorities will be more clearly defined within the annual *General Manager's Workplan*.
- Updated Industry Outlook to reflect current water conditions.
- Objectives associated with each goal have been condensed to big picture ideas.
- Action items have been eliminated, as these will be outlined within the annual *General Manager's Workplan* to be considered in June 2024.
- District monetary reserve goal amounts have been removed, as these will be discussed and adopted annually during budget adoption in accordance with the current board-approved Reserve Policy

TVMWD's three Strategic Priorities are as follows:

1. Reliable Water Supply
2. Fiscal Responsibility
3. Organizational Culture

Specific big picture objectives for each strategic priority listed above are identified in the attached draft Strategic Plan.

Environmental Impact

None

Strategic Plan Objective(s)

3.3 – Be accountable and transparent with major decisions

Attachment(s)

Exhibit A – 2024 – 2029 Strategic Plan

Meeting History

Special Board Meeting Workshop, December 4, 2023, Discussion Item
Special Board Meeting Workshop, October 20, 2023, Discussion Item
Special Board Meeting Workshop, September 27, 2023, Discussion Item
Special Board Meeting Workshop, July 31, 2023, Discussion Item

NA/ML

2024 - 2029
STRATEGIC PLAN
APRIL 2024

STRATEGIC PLAN





GENERAL MANAGER'S NOTES

At Three Valleys, we have always adapted to changing water supply conditions, and adaptability has never been more important than now.

In the past 20 years, we have experienced wild swings in precipitation and snowpack levels that has tested our water supply resiliency. Addressing the uncertainties of climate change will require creativity to advance a broad portfolio of initiatives; this will include development of sustainable local groundwater programs, storage, water use efficiency and State level advocacy for a comprehensive water management strategy that will develop additional supplies instead of solely managing for scarcity.

Our strategic priorities will provide the roadmap for success. Our dedicated Board of Directors and hard-working staff members are what drive us to stay squarely focused on the mission of Three Valleys – and keep the water flowing!

Developing creative solutions, fostering a culture that rewards staff success, providing top-notch customer service to our member agencies, as well as fortifying the public's trust, is of paramount importance for our long-term aspirations and goals.

As the General Manager of Three Valleys, I am wholeheartedly committed to these principles as we move forward.

A handwritten signature in black ink, appearing to read 'M. Litchfield', written in a cursive style.

MATTHEW H. LITCHFIELD | GENERAL MANAGER/CHIEF ENGINEER

ABOUT US

Three Valleys Municipal Water District (Three Valleys or District) was formed in 1950, in response to recurring water shortages and an expanding population, to provide its service area with a reliable supply of regional and locally developed water.

Three Valleys fulfills its mission by importing and distributing water obtained from the *Metropolitan Water District of Southern California (Metropolitan)* to its 13 member agencies; Boy Scouts of America, California State Polytechnic University at Pomona, Cities of Covina, Glendora, La Verne, Pomona, Golden State Water Company (Claremont and San Dimas systems), Mount San Antonio College, Rowland Water District, Suburban Water Systems, Valencia Heights Water Company, and Walnut Valley Water District.

Three Valleys is one of 26 member agencies of Metropolitan. The District's water supply sources consist of untreated and treated imported water purchased from Metropolitan and groundwater from the Six Basins groundwater basin, with imported water accounting for the majority of Three Valleys' supply. Water purchased from Metropolitan comes from the *Colorado River Aqueduct* and the *State Water Project (SWP)*.

Of the 13 member agencies, three utilize recycled water, and five utilize surface water supplies. The remainder use a combination of imported water and groundwater. Several of these agencies are in SWP dependent areas, meaning they cannot receive Colorado River supplies from Metropolitan, and are solely dependent on imported water from the SWP.

BOARD OF DIRECTORS

Three Valleys is governed by an elected seven-member Board of Directors. The Board of Directors are responsible to the members of the public of their respective divisions for proper conduct of Three Valleys affairs. Directors are elected to four-year terms by the registered voters in seven geographic divisions. These divisions are apportioned by population. Terms are staggered to ensure continuity, with public elections held in at least three divisions every two years. Directors must reside within their elected division.

BOARD OF DIRECTORS' MEETINGS

The Three Valleys Board of Directors generally meets on the first and third Wednesday of each month at 8:00 a.m. in the Three Valleys Board Room located at 1021 E. Miramar Avenue in Claremont, California. All Board Meetings are open to the public and the District provides a virtual meeting option for the public to participate. For more information, visit: www.threevalleys.com or call 909.621.5568.



MEET OUR BOARD



**JODY
ROBERTO**

*President
Division V*



**MIKE
TI**

*Vice President
Division VII*



**CARLOS
GOYTIA**

*Secretary/Treasurer
Division I*



**DAVID
DE JESUS**

Division II



**JEFF
HANLON**

Division III



**BOB
KUHN**

Division IV



**DANIELLE
SOTO**

Division VI

Our *mission*

*is to
supplement and
enhance local water
supplies to meet our
region's needs in a
reliable and cost-
effective manner*

Our *vision*

*is to
be a regional leader
through advocacy,
engagement and
innovation to serve
the generations, now
and into the future.*

CORE VALUES

The *Core Values* serve as the foundation for Three Valleys' employees and its brand of service.

01 INTEGRITY

Devote work effort in a consistent and fair manner to do what is right.

02 COLLABORATION

Have an open exchange of information and share ideas broadly within and across organizational lines; engage our internal and external customers as valued partners.

03 ACCOUNTABILITY

Deliver on our commitments and decisions; take ownership of the outcomes and results.

04 PROGRESSION

Have a growth mindset for continuous improvement at both personal and organizational levels.

05 INNOVATION

Provide bold leadership that is prepared to challenge the status quo and develop projects and services that create long-term value for our member agencies.



FULTON RESERVOIR SCADA ANTENNA MINTENANCE

BEING PROACTIVE NOT REACTIVE



CHEMICAL INJECTION SYSTEM INSPECTION



INDUSTRY SETTING

California's three driest years of record (Water Years (WY) 2020 - 2022) were followed by a very wet and snowy 2023. The 2023 WY wrapped up with 141 percent of statewide average precipitation and 237 percent of April 1st Sierra Cascades snowpack. The Colorado River Basin also benefited from a wet winter that replenished some of the dramatically depleted storage in Lake Mead and Lake Powell, the two largest reservoirs in the United States.

WY 2023 demonstrated California's high climate variability, ending the state's driest consecutive three-year period with one of the snowiest years of record. Climate change is

expected to amplify naturally occurring variability in the long term, potentially result in a shorter wet season for California but one with more extreme atmospheric river storms and hence potentially greater flood damage risk. Water resources management incorporating hydrologic changes necessitates different strategies to provide reliable water supply to the service area. ***Programs to increase local water storage, interconnection with agencies, extraction of stored groundwater and increasing opportunities to store surplus water will be the focus for Three Valleys.***




INDUSTRY SETTING

The California Construction Cost Index (CCCI) was consistent at 3.1% for the five-year period of 2016-2020, and 1.8% for the five-year period of 2011-2015. After the COVID-19 pandemic of 2020, the CCCI index has increased substantially; the CCCI indices were 13.4%, 9.3% and 9.4% for 2021, 2022 and 2023, respectively. Construction material costs have seen surges compared to the pre-pandemic period ranging between 20% to 40%. Although it is expected that the prices will stabilize, costs are not expected to return to pre-pandemic levels. *These economic changes along with increased cost of water purchases from Metropolitan will continue to be*

a focus to create robust financial strategies to ensure that the Three Valleys supplies are continued to be provided cost-effectively.

The impending regulations on water use efficiency, water quality requirements and any other impending legislation and regulations create the necessity to implement new programs to continue serving the service area with reliability. *Policy advocacy at the local, State and Federal agencies will continue to be a focus for Three Valleys.*

STRATEGIC PLANNING PROCESS



The strategic plan serves as Three Valleys' roadmap to prioritize its initiatives, resources and goals to realize its vision.

The Three Valleys' Board of Directors held a series of workshops in the summer of 2023 to initiate the strategic planning process. The Board collectively identified the challenges that are on the horizon for the District and its service area.

The process also included a SWOT analysis by identifying and analyzing internal strengths and weaknesses and external opportunities and threats to shape current and future operations and help develop strategic goals. The challenges and opportunities were identified as need for resilient water supplies in the face of changing climates: hydrology, regulations and policy.

With these as the main themes, the results were used to create the strategic priorities and objectives for the District, which provide a holistic direction for the entire organization, internal culture, relationships, and resource development for the needs of the future.

The *Strategic Priorities* were established as:

1. *Reliable Water Supply*
2. *Fiscal Responsibility*
3. *Organizational Culture*

OBJECTIVES

1

RELIABLE WATER SUPPLY

**Three Valleys
aims to provide an
adequate, reliable
and high-quality
water supply
through five
objectives**

1 RELIABLE WATER SUPPLY

1.1 WATER QUALITY

Maintain 100% compliance with water quality standards.

1.2 DIVERSE PORTFOLIO

Maintain diverse sources of water supplies and storage to meet projected demands.

1.3 INFRASTRUCTURE RELIABILITY

Maintain water infrastructure to strive for 100% reliability during regular, unplanned and catastrophic events.

1.4 OPERATIONAL EFFICIENCY

Operate all District facilities with expertise and creativity, delivering water dependably and maximizing operational flexibility to meet the needs of our retail partners.

1.5 ADVOCACY

Engage and advocate for the region through focused involvement and awareness of all aspects of water resources management.

OBJECTIVES

2 FISCAL RESPONSIBILITY

2.1 FINANCIAL STABILITY

Develop and update policies to maintain Three Valleys' financial health.

2.2 ACCOUNTABILITY

Implement the policies and programs, monitor and evaluate their progress and make adjustments to deliver the intended results.

2.3 PUBLIC ENGAGEMENT


Maintain stakeholder relationships to effectively communicate the value of the services provided.

2.4 LEGISLATION

Be informed of the legislative process to identify proposals that may affect Three Valleys' operations and advocate for the benefit of its service area.

2.5 OPERATIONAL STRATEGIES

Implement cost effective operation and maintenance strategies for all aspects of the business.



2
**FISCAL
RESPONSIBILITY**

**Three Valleys
aims to provide
water supply in a
cost-effective
manner through
five objectives**

OBJECTIVES

3

ORGANIZATIONAL CULTURE

Three Valleys aims to provide a fair, fun and value-driven environment to support its business ethos through five objectives

3 ORGANIZATIONAL CULTURE

3.1 DIVERSITY

Foster a culture that organically promotes respectful staff that embody excellence in character valuing individuality and equity. Continuously improve business practices to attract and retain the best fit and talent.

3.2 WORKFORCE EXCELLENCE

Identify and develop the skillsets required to meet the demands of today and tomorrow; Prepare for transition to the next generation of water professionals.

3.3 EMERGING TECHNOLOGY

Identify, progress, and promote emerging technologies and business practices with the potential to transform organizational capabilities.

3.4 OPERATIONAL INTEGRITY

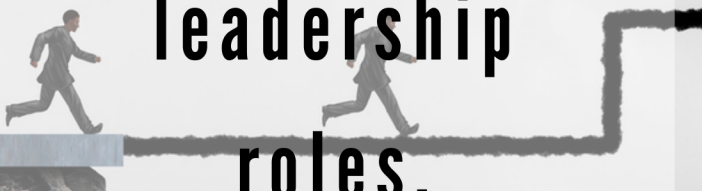
Improve security, safety, resiliency, and controls of operations and services.

3.5 DATA QUALITY

Improve the quality, completeness, and availability of data that is practical providing insights for the public and policy decisions.

SUCCESSION PLANNING

**Succession
Planning
is a process and
strategy for
replacement
planning or
passing on
leadership
roles.**



Succession Planning is used to identify and develop new potential leaders who can move into leadership roles when they become vacant. The process is also used to identify critical positions in the organization and create a talent pipeline, by preparing employees to fill vacancies in their organization as others retire or move on. Succession planning helps ensure business continuity and performance, particularly during times of shifting leadership and change. Even if changes are not imminent, planning for inevitable shifts is prudent.

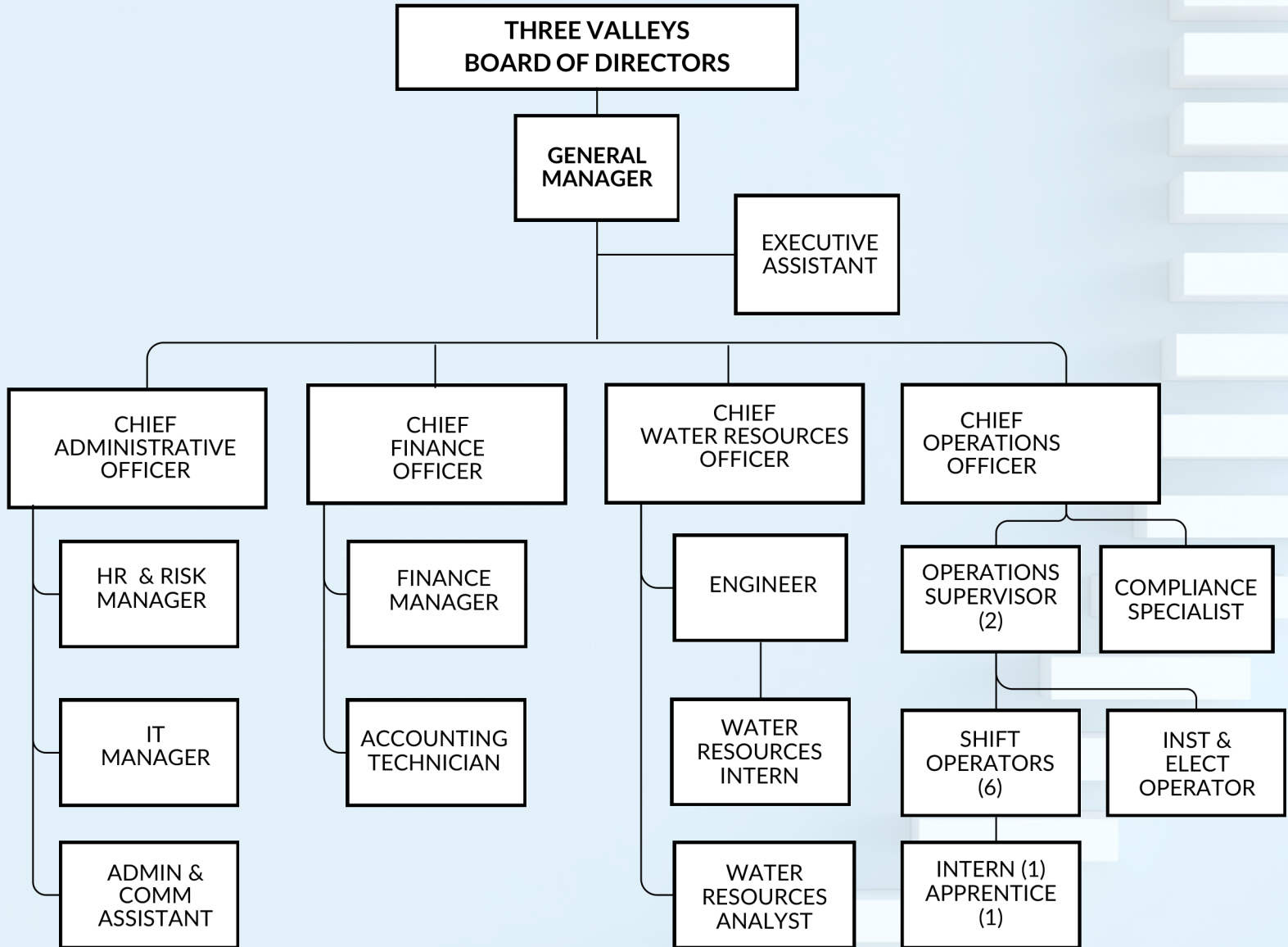
Three Valleys initiated its first succession planning process in July 2023 and held a series of working sessions with the Executive Management Team to identify critical and vulnerable roles and determine if there is a clear succession plan for the identified critical positions.

The process identified several options for the District to consider such as:

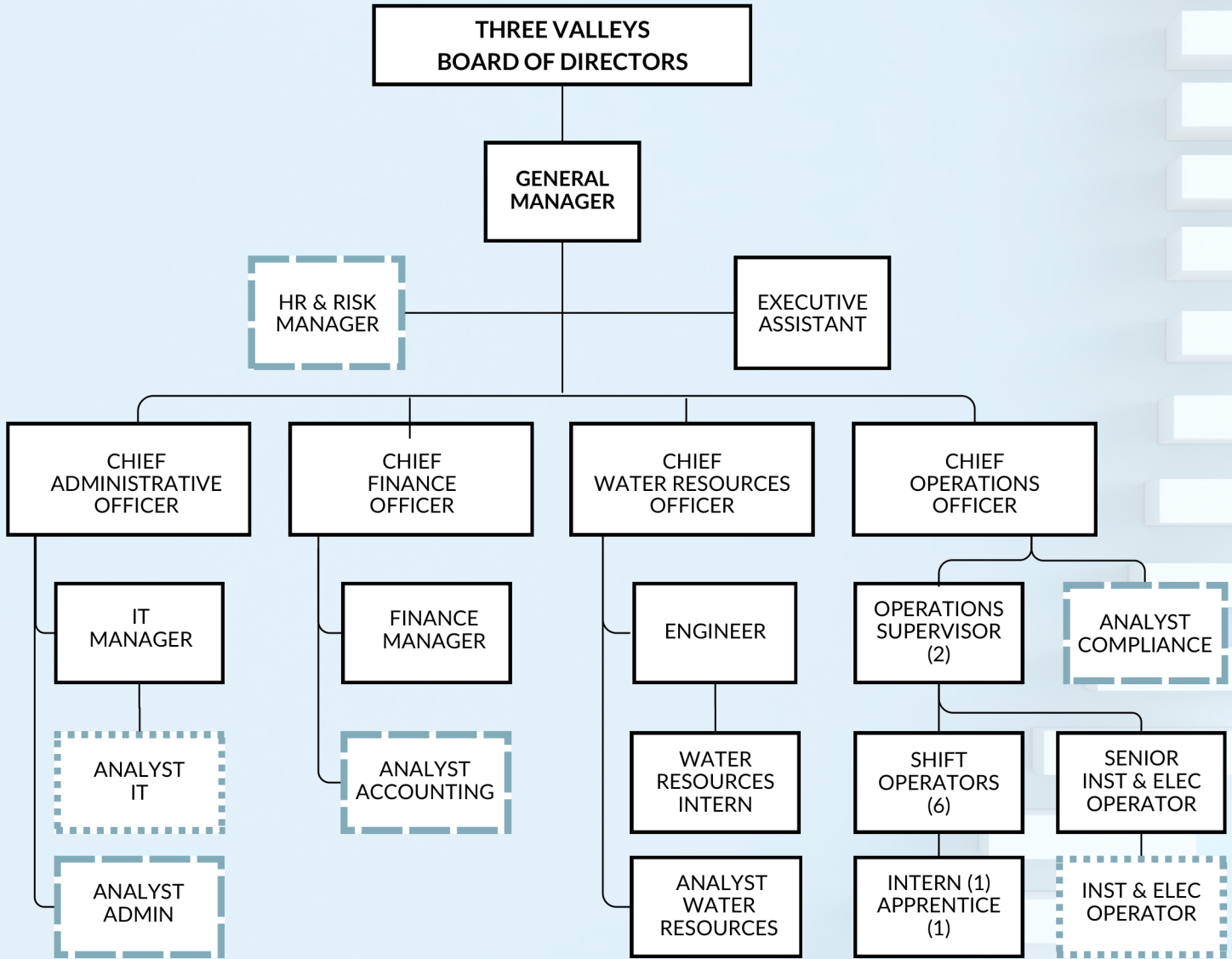
- Targeted work assignments and training for the positions that are well-suited to temporarily transition into the successor position should a vacancy arise. The District currently uses this process in an informal manner and will consider in the future if a formalized rotation program should be created to provide an opportunity for the staff to become well-rounded in all aspects of Three Valleys business.
- Creation of a long-term plan with creation of positions that would be well-suited to transition to the successor position. This is illustrated below as the long-term vision for the organizational structure.



ORGANIZATION STRUCTURE



ORGANIZATION STRUCTURE PROPOSED FOR SUCCESSION PLANNING



 EXISTING POSITIONS RECLASSIFIED

 PROPOSED NEW POSITIONS