



BOARD OF DIRECTORS REGULAR MEETING

DATE :
FEBRUARY 5, 2025

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
February 5, 2025 – 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/84249366500>

OR

Dial in: (669) 900-9128, Webinar ID: 842 4936 6500

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/0z5GqO> 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 Board Secretary prior to the close of public comment.

1. CALL TO ORDER

TI

2. ROLL CALL

AGUIRRE

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

3. FLAG SALUTE

TI

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

4.A NOTIFICATION DUE TO JUST CAUSE

4.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)] TI

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) TI

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 Board Secretary.

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. PUBLIC HEARING – POSSIBLE ADJUSTMENT TO DIRECTOR COMPENSATION TI

The Board will convene a Public Hearing to receive public comment on the possible adjustment to Director Compensation.

- a. Open Public Hearing
- b. Request Staff Report
- c. Receive Public Comment
- d. Close Public Hearing

8. ACTION AGENDA

The following items on the Action Agenda call for discussion and action by the Board. All items are placed on the agenda so that the Board may discuss and take action on the item if the Board is so inclined.

8.A CONSIDER APPROVAL OF ORDINANCE NO. 25-02-27 INCREASING THE COMPENSATION TO DIRECTORS

TI

The Board will consider increasing the compensation payable to Directors, set the compensation amount for each day's service rendered, and adopt Ordinance No. 25-02-27, establishing the new compensation.

BOARD ACTION REQUIRED ITEM 8.A

Staff Recommendation: Approve as Presented

8.B CONSIDER APPROVAL OF SUNSHINE ORDINANCE NO. 25-02-28

LITCHFIELD

The Board will consider adopting Sunshine Ordinance No. 25-02-28.

BOARD ACTION REQUIRED ITEM 8.B

Staff Recommendation: Approve as Presented

9. GENERAL MANAGER'S REPORT

LITCHFIELD

The Executive Leadership Team will provide brief updates on existing matters under their purview.

9.A SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS JOINT POWERS AUTHORITY MEMBERSHIP

LITCHFIELD

The Board will be provided an update on proposed changes to the water districts Joint Powers Authority membership.

9.B SOUTHERN CALIFORNIA WATER COALITION TASK FORCE

LITCHFIELD

The Board will discuss whether a Director is interested in joining a Southern California Water Coalition Task Force.

9.C ACWA JPIA EXECUTIVE COMMITTEE CALL FOR NOMINATIONS

LITCHFIELD

The Board will discuss if there is any interest in nominating a Director to ACWA JPIA's Executive Committee.

- 9.D FY 2025-26 BUDGET REVIEW SCHEDULE VELASQUEZ
 The Board will be provided with the budget review schedule for FY 2025-26.
- 9.E DRAFT RESOLUTION AUTHORIZING ADOPTION OF THE DEBT MANAGEMENT POLICY VELASQUEZ
 The Board will review modifications to the Debt Management Policy.
- 9.F DRAFT RESOLUTION AUTHORIZING ADOPTION OF THE RESERVE POLICY VELASQUEZ
 The Board will review modifications to the Reserve Policy.
- 9.G LEGISLATIVE UPDATE HOWIE
- 9.H PROJECTS UPDATE PANZER
10. DIRECTORS'/GENERAL MANAGER'S ORAL REPORTS TI
 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.
- 10.A METROPOLITAN WATER DISTRICT DE JESUS
- 10.B CHINO BASIN WATERMASTER KUHN
- 10.C SAN GABRIEL BASIN WATER QUALITY AUTHORITY KUHN
- 10.D MAIN SAN GABRIEL BASIN WATERMASTER HANLON
- 10.E SIX BASINS WATERMASTER HANLON
- 10.F ADDITIONAL BOARD MEMBER REPORTS ALL
- 10.G GENERAL MANAGER'S COMMENTS LITCHFIELD
11. CLOSED SESSION TI
- 11.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

**11.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)

12. FUTURE AGENDA ITEMS

TI

13. ADJOURNMENT AND NEXT MEETING

TI

The Board will adjourn to a regular Board meeting on February 19, 2025.


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 Board Secretary 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 ACTION****BOARD OF DIRECTORS
STAFF REPORT**

To: TVMWD Board of Directors

From: Matthew H. Litchfield, General Manager 

Date: February 5, 2025

Subject: Consider Approval of Ordinance No. 25-02-27 Increasing the Compensation to Directors

Funds Budgeted: \$

Fiscal Impact: \$

Staff Recommendation

Staff recommends that the Board of Directors approve Ordinance No. 25-02-27 setting the compensation amount for each day's service rendered.

Discussion

At its January 15, 2025 meeting, the Board of Directors (Board) announced its intention to hold a public hearing on February 5, 2025 for the Board to consider a revision to the current ordinance to increase their compensation up to \$275.00 per meeting or day of service, up to ten days per calendar month. According to Ordinance No. 2-07-15, Director compensation was previously adjusted on July 1, 2007, from \$150.00 to \$200.00. The public hearing was noticed on January 22 and 29, 2025 by publication in the Inland Valley Daily Bulletin and San Gabriel Valley Tribune.

Per Water Code Section 20202, should the Board of Directors increase the level of compensation, "...the increase may not exceed an amount equal to five percent (5%) for each calendar year following the operative date of the last adjustment, of the compensation which is received when the ordinance is adopted."

Pursuant to Water Code Section 20203, the action must be taken by ordinance and must be subject to a public hearing.

Environmental Impact

None

Strategic Plan Objective(s)

2.1 – Financial Stability

2.2 – Accountability

Attachment(s)

Exhibit A – Ordinance No. 25-02-27

Meeting History

Board of Directors Meeting, January 15, 2025, Informational Item

Special Board of Directors Meeting Workshop, December 16, 2024, Informational Item

Special Board of Directors Meeting Workshop, October 28, 2024, Informational Item



ORDINANCE NO. 25-02-27

**AN ORDINANCE OF THE BOARD OF DIRECTORS OF
THE THREE VALLEYS MUNICIPAL WATER DISTRICT
SETTING COMPENSATION FOR THE BOARD OF DIRECTORS**

WHEREAS, the Board of Directors of the Three Valleys Municipal Water District finds as follows:

A. Pursuant to Ordinance No. 2-07-15, the Board of Directors of the Three Valleys Municipal Water District ("TVMWD") has determined that each director shall be entitled to receive compensation in an amount not to exceed \$200.00 for each day of service rendered as a director of the TVMWD.

B. Pursuant to Water Code Section 20202 and Ordinance No. 2-01-7, each member of the Board of Directors of the TVMWD is authorized to receive compensation for a maximum of ten (10) days of service rendered as director of the TVMWD during any calendar month and the compensation may increase by five percent (5%) for each calendar year following the operative date of the last adjustment.

C. Pursuant to Water Code Appendix Section 109-51, a representative of the TVMWD is entitled to serve on the board of directors of the Metropolitan Water District of Southern California ("MWD") without receiving any compensation from MWD.

D. Pursuant to Water Code Section 71256, the individual who appointed by the Board of Directors of the TVMWD to serve as its representative on the MWD board of directors is entitled to receive additional compensation and expenses from the TVMWD for his or her

service on the MWD board of directors in the same amount, and upon the same terms, as is provided with respect to service on the Board of Directors of the TVMWD.

THEREFORE, THE BOARD OF DIRECTORS of the Three Valleys Municipal Water District does hereby adopt and ordain as follows:

1. The compensation paid to elected directors of the TVMWD and the MWD representative shall be in an amount not to exceed \$275.00 per meeting or day of service to the District after the effective date of this Ordinance.

2. Compensation shall be paid for a maximum of ten (10) days of service to the District within each calendar month. A "day of service to the District" shall be defined as set forth in Section 2.7 of the TVMWD's Policy Manual.

3. Compensation shall be paid only upon submittal of *director expense sheet* by the Board Member indicating the date and purpose of the meeting or day of service and upon approval by the Board.

4. This Ordinance shall take effect sixty (60) days after adoption or July 1, 2025, whichever is later, pursuant to Water Code Section 20204.

ADOPTED and **PASSED** this 5th day of February 2025, by the following vote:

Ayes:

Noes:

Abstain:

Absent:


Mike Ti, President

ATTEST:

Jeff Hanlon, Secretary

SEAL:

**BOARD ACTION****BOARD OF DIRECTORS
STAFF REPORT**

To: TVMWD Board of Directors
From: Matthew H. Litchfield, General Manager 
Date: February 5, 2025
Subject: Consider Approval of Sunshine Ordinance No. 25-02-28

Funds Budgeted: \$

Fiscal Impact: \$

Staff Recommendation

Staff recommends the Board of Directors adopt Sunshine Ordinance No. 25-02-28.

Discussion

A legal update of Three Valleys Sunshine Ordinance was provided at the January 15, 2025 Board of Directors meeting. Legal Counsel suggested the following modifications to the Ordinance:

- Section 2.3.6 – Remote Participation
- Exhibit A of the Ordinance – Closed Session Descriptions
- Exhibit B of the Ordinance – Board Member Teleconferencing Policy
- Director Remote Participation Worksheet
- Remote Board Meeting Attendance Form

Environmental Impact

None

Strategic Plan Objective(s)

2.2 – Accountability

Attachment(s)

Exhibit A – Sunshine Ordinance No. 25-02-28

Meeting History

Board of Directors Meeting, January 15, 2025, Informational Item

NA/ML

ORDINANCE NO. 25-02-28

**AN ORDINANCE OF THE BOARD OF DIRECTORS
OF THE THREE VALLEYS MUNICIPAL WATER DISTRICT CONCERNING
THE CONDUCT OF ITS PUBLIC MEETINGS**

WHEREAS, the Board of Directors of the Three Valleys Municipal Water District finds as follows:

A. The Three Valleys Municipal Water District ("the District") is a municipal water district organized and operating pursuant to California Water Code Section 71000 et seq.

B. The District is governed by an elected Board of Directors ("the Board") whose meetings are subject to the requirements of the Ralph M. Brown Act, California Government Code Section 54950 et seq. ("the Brown Act").

C. On March 7, 2001, the Board adopted Ordinance No. 3-01-8 in order to clarify and supplement the Brown Act and to ensure that the Board's deliberations and the District's operations are open to the public to the full extent permitted by law.

D. On May 7, 2001, the Board adopted Ordinance No. 5-01-9 which amended Ordinance No. 3-01-8 to impose further requirements upon itself which allow greater access to the meetings of the Board than prescribed in the Brown Act.

E. On February 22, 2002, the Board adopted Ordinance No. 02-02-11 which further amended Ordinance No. 3-01-8 with respect to the date, time, and place of the

Board's regular meetings.

F. On June 25, 2003, the Board adopted Ordinance No. 6-03-12 which further amended Ordinance No. 3-01-8 with respect to closed session agenda descriptions and the date, time, and place of the Board's regular meetings.

G. On May 19, 2004, the Board adopted Ordinance No. 05-04-13 which further amended Ordinance No. 3-01-8 with respect to the date, time, and place of the Board's regular meetings, and consolidated all of the amendments to Ordinance No. 3-01-8 into a single comprehensive document.

H. On January 18, 2012, the Board adopted Ordinance No. 12-01-19 which amended Ordinance No. 05-04-13 with respect to the dates of the Board's regular meetings and the posting of its agendas.

I. On April 17, 2013, the Board adopted Ordinance No, 13-04-20 which amended Ordinance No. 12-01-19 with respect to the closed session descriptions attached hereto as Exhibit A so as to maintain compliance with statutory amendments to the Brown Act.

J. On February 17, 2021, the Board adopted Ordinance No. 21-02-22 which amended Ordinance No. 13-04-20 to modify Section 2.3.5 hereof to expand the availability of background material to the public beyond the requirements of Government Code Section 54957.5.

K. On June 15, 2022, the Board adopted Ordinance No. 22-06-23 which amended Ordinance No. 21-02-22 to further modify Section 2.3.5 hereof to incorporate the requirements of Senate Bill 274, which became effective January 1, 2022.

L. On March 1, 2023, the Board adopted Ordinance No. 23-03-25 which amended Ordinance No. 22-06-23 to (1) modify Section 2.3.3 hereof to incorporate requirements of Senate Bill 1100 which became effective January 1, 2023, (2) modify Section 2.3.5 hereof to incorporate requirements of Assembly Bill 2647 which became effective January 1, 2023, and (3) add Section 2.3.6 hereto to assist in compliance with various Brown Act requirements related to remote participation by Board members.

M. On February 21, 2024, the Board adopted Ordinance No. 24-02-26 which amended Ordinance No. 23-03-25 to modify the Board Member Teleconferencing Policy attached as Exhibit B to incorporate requirements of Assembly Bill 557 which became effective January 1, 2024.

N. The purpose of this Ordinance is to (1) modify Section 2.3.6 hereof and the Board Member Teleconferencing Policy attached hereto as Exhibit B to incorporate requirements of Assembly Bill 2302 which became effective January 1, 2025, (2) modify Exhibit A hereof to incorporate requirements of Assembly Bill 2715 which became effective January 1, 2025, and (3) ensure that the Board's deliberations are performed in a manner that reflect a dedication to the highest standards of integrity and accountability

so as to continue to earn the trust and confidence of the parties served by the District.

THEREFORE, THE BOARD OF DIRECTORS of the Three Valleys Municipal Water District does hereby adopt and ordain as follows:

Section 1. **COMPLIANCE WITH STATUTORY REQUIREMENTS.**

All meetings of the Board and all committees thereof shall be conducted in compliance with all applicable requirements of the Brown Act.

Section 2. **ADDITIONAL REQUIREMENTS.**

2.1. **Regular Meetings.** Pursuant to Government Code Section 54954(a), all regular meetings of the Board shall be held at 8:00 a.m. on the first and third Wednesdays of each month at the District offices located at 1021 East Miramar Avenue, Claremont, California, unless otherwise provided in the agenda that is prepared and posted therefor in accordance with Section 2.3 hereof.

2.2. **Special Meetings.** Special meetings of the Board may be called from time to time and will be conducted in accordance with Government Code Section 54956. The Board cannot consider any non-agendized items in a special meeting. Therefore, the agenda for a special meeting shall not include an opportunity for the Board to add any non-agendized items after it is posted.

2.3. **Agendas.**

2.3.1. **Descriptions.** The agenda for all Board meetings and all committee

meetings that are open to the public shall contain a brief, general description of each item of business to be transacted or discussed during the meeting and shall avoid the use of undefined abbreviations or acronyms not in common usage and terms whose meaning is not known to the general public. The agendas may refer to explanatory documents, including but not limited to correspondence or reports, within the written material prepared and/or forwarded by District staff to the Board concerning the subject matter of any agenda item. The description of an agenda item is adequate if it is sufficiently clear and specific to alert a person whose interests are affected by the item that he or she may have reason to attend the meeting or seek more information about the item.

2.3.2. Additions. The Board shall not discuss or take action on any item not appearing on the posted agenda for the meeting unless otherwise authorized by the Brown Act. All findings and/or determinations required by Government Code Section 54954.2(b) shall be expressly made by the Board and duly reflected in the minutes of the meeting.

2.3.3. Public Comment. The agenda for all meetings of the Board shall include an item for Public Comment so as to provide an express opportunity for members of the public to directly address the Board in accordance with the requirements of Government Code Section 54954.3(a) prior to the Board's consideration of the merits of any item placed on the agenda. In the event that a motion is made to reorder the

agenda, or add an item to the agenda, or otherwise take any Board action prior to the Public Comment portion of the agenda, the President of the Board shall ask any members of the public in attendance at the meeting whether they wish to comment on the motion that is pending before the Board. During the Board's consideration of items discussed after the Public Comment portion of the agenda, the President of the Board should exercise best efforts to recognize any member of the public who wishes to speak on that issue prior to any action thereon that is taken by the Board. While testimony and input received from the public during Board meetings is a valuable part of the Board's decision-making process, the Board President is nevertheless authorized pursuant to Government Code Section 54954.3(b) to limit public testimony to three (3) minutes for each individual speaker. The Board President is also authorized pursuant to Government Code Section 54957.95 to remove from a meeting any member of the public whose behavior is disrupting the meeting, but only after due warning unless the disrupting behavior constitutes a true threat of force.

2.3.4. Posting. The agendas of all Board meetings and all committee meetings which are open to the public shall be posted in the following locations: (1) an exterior bulletin board located outside the District headquarters that is accessible twenty-four (24) hours a day; (2) on-line at the District's website known as www.threevalleys.com; and (3) an interior bulletin board located in the lobby of the District headquarters.

2.3.5. Background Material. Staff material, consisting of agendas, staff reports, and other material prepared and forwarded by staff which provide background information and recommendations, regarding agenda items, when distributed to all or to a majority of the members of the Board in connection with a matter which is subject to discussion or consideration in open session at a public meeting, shall be made readily available to the public on the District's website, at the District's offices, and upon request. If a member of the public requests that a copy of such material be delivered by e-mail, District staff shall e-mail a copy of, or website link to, the documents as requested unless District staff determines that delivery by e-mail or by other electronic means is technologically infeasible, in which case District staff must send the documents by mail in accordance with the mailing requirements of the Brown Act.

2.3.6. Remote Participation. A Board member wishing to participate in a meeting from a remote location pursuant to Government Code Sections 54953(b), (e), or (f) must notify District staff at the earliest opportunity as soon as possible so that the agenda for the meeting can be prepared and/or amended accordingly and that all other necessary accommodations can be arranged, and the meeting conducted, in a manner generally consistent with the policy attached hereto as Exhibit B and incorporated herein by this reference.

2.4. **Closed Sessions.**

2.4.1. Agenda Descriptions. Substantial compliance with the permissive provisions of Government Code Section 54954.5, as generally reflected in Exhibit A attached hereto and incorporated herein by this reference, is mandatory under this Ordinance with respect to the description of any closed session items on any Board meeting agenda. For closed sessions held pursuant to Government Code Section 54957, the agenda will use the description in Exhibit A that best describes the purpose of the closed session. When the purpose of the closed session is to conduct a hearing on specific complaints or charges brought against an employee of the District, the agenda description shall read "PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE, employee given 24-hour notice."

2.4.2. Advance Announcement. Prior to holding any closed session, the Board shall state in open session the item or items to be discussed in the closed session. The statement may take the form of a reference to the item or items as they are listed by number or letter on the agenda, and must include any and all matters otherwise required to be disclosed under the Brown Act. For closed sessions held pursuant to Government Code Section 54956.9(d)(3), the Board must announce the existing facts and circumstances which authorize the holding of the closed session or specifically state that it believes that facts and circumstances that might result in litigation against the District are not yet known to a potential plaintiff or plaintiffs. In the closed session, the Board

shall consider only those matters covered in its statement. Nothing in this section shall require or authorize the release of information which is exempt from disclosure under state or federal law.

2.4.3. Public Reports on Closed Session Actions. The Board shall publicly report any action taken in closed session, and the vote or abstention of every member present thereon, in the manner and to the extent required by Government Code Section 54957.1.

2.5. **Ad Hoc Committees.** In order to be exempt from the notice, agenda, and public participation requirements of the Brown Act, all ad hoc committees of the Board shall substantially comply with the following guidelines: (1) The committee shall be comprised of less than a quorum of the Board; (2) The committee's life should be restricted to a relatively short period of time; (3) The committee's purpose should be limited to a single and specific task; (4) The committee shall not be given any independent discretionary authority to make ultimate decisions on behalf of the Board with respect to the final resolution of the task; (5) The committee's charge should not be automatically renewed upon completion of its particular assignment or expiration of its fixed term; (6) The committee's meeting schedule should not be on a regular basis or established by formal action of the Board; and (7) Public notice of the formation of the committee shall be given in a timely manner.

Section 3. **REVIEW OF ORDINANCE ON ANNUAL BASIS.**

Each year, the Board may review this Ordinance to determine its effectiveness and the necessity for its continued operation. As such time, the District's General Manager shall report to the Board on the operation of this Ordinance, and make any recommendations deemed appropriate, including proposals to amend the Ordinance. Upon conclusion of its review, the Board may take any action it deems appropriate concerning this Ordinance. Nothing herein shall preclude the Board from taking action on the Ordinance at times other than upon conclusion of the annual review. The Board's failure to conduct the annual review shall result in the continued operation of this Ordinance for another year or until otherwise modified by the Board.

Section 4. **SEVERABILITY.**

If any provision of this Ordinance, or the application thereof to any person or circumstance, is held to be invalid, such invalidity shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are declared to be severable.

Section 5. **EFFECTIVE DATE.**

The provisions of this Ordinance shall supersede all prior inconsistent ordinances and shall take effect immediately upon adoption.

Adopted this 5th day of February, 2025.

ROLL CALL:

AYES:

NOES:

ABSTAIN:

ABSENT:

President, Board of Directors

ATTEST:

Secretary, Board of Directors

EXHIBIT A

Under Government Code Section 54954.5, the following language has been provided by the State Legislature as sample language which will meet the mandate of the Brown Act for properly identifying closed session items on the Board's agenda:

LICENSE/PERMIT DETERMINATION (Government Code Section 54956.7)

Applicant(s): (Specify number of applicants)

CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Government Code Section 54956.8)

Property: (Specify street address; parcel number if no street address; or other unique reference of parcel under negotiation)

District Negotiator: (Specify names of negotiators attending closed session) (If the specified negotiator is to be absent, an agent or designee may participate provided the name of the agent or designee is announced publicly prior to the closed session.)

Negotiating parties: [Specify name of party (not agent)]

Under negotiation: (Specify whether instruction to negotiator will concern price, terms of payment, or both)

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

Name of case: (Specify by reference to claimant's name, name of parties, case or claim numbers)

or

Case name unspecified: (Specify whether disclosure would jeopardize service of process or existing settlement negotiations)

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2): (Specify number of potential cases)

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Initiation of litigation pursuant to Government Code Section 54956.9(d)(4): (Specify number of potential cases)

LIABILITY CLAIMS (Government Code Section 54956.95)

Claimant: (Specify name unless unspecified pursuant to Section 54961)

Agency claimed against: (Specify name)

THREAT TO PUBLIC SERVICES, FACILITIES. OR CRITICAL INFRASTRUCTURE [Government Code Section 54957(a)]

Consultation with: (Specify name of law enforcement agency and title of officer if applicable; or name of security personnel, consultant, or manager if applicable; or name of applicable District representative and title)

PUBLIC EMPLOYEE APPOINTMENT [Government Code Section 54957(b)]

Title: (Specify description of position to be filled)

PUBLIC EMPLOYEE PERFORMANCE EVALUATION [Government Code Section 54957(b)]

Title: (Specify position title of employee being reviewed)

- # PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE (Government Code Section 54957(b)]

(No additional information is required in connection with a closed session to consider discipline, dismissal, or release.)

- # CONFERENCE WITH LABOR NEGOTIATORS (Government Code Section 54957.6)
District designated representatives: (Specify names of designated representatives attending the closed session) (If circumstances necessitate the absence of a specified representative, an agent or designee may participate in place of the absent representative so long as the name of the agent or designee is announced at an open session held prior to the closed session.)

Employee organization: (Specify name of organization representing employee or employees in question)

or

Unrepresented employee: (Specify position title of unrepresented employee who is the subject of negotiations)

- # CASE REVIEW/PLANNING (Government Code Section 54957.8)

(No additional information is required in connection with a closed session to consider case review or planning.)

EXHIBIT B

Board Member Teleconferencing Policy

Article I. Policy:

The policy set forth herein ("Policy") shall govern the Agency's use of Teleconferencing for participation at Meetings of the Members of its Legislative Bodies. The Global Teleconferencing Policies (Article III) and Standard Teleconferencing Procedures (Article IV) shall apply in all instances, except when (1) a Member has either "just cause" or an "emergency circumstance" so as to permit the use the Expanded Teleconferencing Procedures (Article V) or (2) a State of Emergency issued by the California Governor is in effect sufficient to trigger the use of the Emergency Teleconferencing Procedures (Article VI).

Article II. Definitions:

Unless otherwise defined herein, the following definitions shall apply to this Policy:

Ad Hoc Committee – shall refer to a Legislative Body of the Agency that satisfies the guidelines described in Section 2.5 of the underlying Ordinance hereof.

Agency – shall refer to the Three Valleys Municipal Water District.

Board – shall refer to the Agency's Board of Directors.

Brown Act / Ralph M. Brown Act – shall refer to Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the California Government Code, known as the "Ralph M. Brown Act" pursuant to Government Code section 54950.5, as such shall be amended from time to time.

Legislative Body – shall have the same meaning as provided by Government Code Section 54952, including the Board, Standing Committees, and Ad Hoc Committees.

Member – shall have the same meaning as provided by Government Code Section 54952.1.

Meeting – shall have the same meaning as provided by Government Code Section 54952.2.

Standing Committee – shall refer to a Legislative Body of the Agency comprised of less than a quorum of the Board that is not an Ad Hoc Committee.

State – shall mean the State of California.

State of Emergency – shall mean a state of emergency proclaimed by the California Governor or such others as may be empowered pursuant to Section 8625 of the California Emergency Services

Act, as set forth in Article 1 (commencing with Section 8550) of Chapter 7 of Division 1 of Title 2 the California Government Code.

Teleconferencing – attendance from different locations, other than the physical location of a meeting, by way of an audio device, whether it be telephone, audio-only internet connection, or otherwise.

Videoconferencing – attendance from different locations, other than the physical location of a meeting, by way of a dual audio and visual device, whereby participants can be both seen and heard. For purposes of this Policy, Videoconferencing may include attendance by way of a single device or software package, or attendance via an audio-device with synced camera or webcasting.

Article III. Global Teleconferencing Policies:

At the discretion of the Legislative Body and/or the Agency's General Manager, any employee, consultant, vendor, or individual presenting or attending a Meeting of a Legislative Body, other than a Member of the Legislative Body, shall be permitted to attend and participate via teleconference or videoconference without compliance with the rules or conditions set forth herein. Members of the Legislative Body may only participate via teleconference or videoconference as permitted by this Policy.

To the extent a Member desires to participate in a Meeting via teleconference or videoconference, the Member shall generally be required to comply with the foregoing "Standard Teleconferencing Procedures" (Article IV) unless the circumstances exist to justify the use of the "Expanded Teleconferencing Procedures" (Article V) or "Emergency Teleconferencing Procedures" (Article VI).

In all instances in which a Member is participating in a Meeting via Teleconferencing or Videoconferencing, the Legislative Body shall:

1. Take all votes by roll-call;
2. Conduct the Meeting in a manner that protects the statutory and constitutional rights of the parties and public appearing before the Legislative Body;
3. Provide notice and post agendas as otherwise required by the Brown Act; and
4. Permit members of the public access to the Meeting and an opportunity to address the Legislative Body as required by the Brown Act.

Article IV. Standard Teleconferencing Procedures:

A Member may participate in a Meeting via Teleconferencing or Videoconferencing if the following conditions are satisfied:

1. At least a quorum of the Members of the Legislative Body participate in the Meeting from locations within the boundaries of the Agency;
2. The agenda posted for the Meeting is posted at all teleconference locations, each of which are identified in the notice and the agenda for the Meeting; and

3. Each teleconference location is accessible to the public, and the public is permitted to comment at each teleconference location.

Article V. Expanded Teleconferencing Procedures (Effective Thru January 1, 2026):

A Member may participate in a Meeting via videoconference only (Teleconferencing will not be permitted under these procedures), without the need to comply with the Standard Teleconference Procedure requirements to notice and post at the agenda locations or make such locations accessible to the public, if the following conditions are satisfied:

1. At least a quorum of the Members of the Legislative Body participate in-person from a single physical location accessible to the public, which is within the boundaries of the Agency and clearly identified in the posted agenda;
2. The public is permitted to attend the Meeting either by teleconference or videoconference in a manner such that the public can remotely attend and offer real-time comment during the Meeting;
3. Notice of the means by which the public can remotely attend the Meeting via teleconference or videoconference and offer comment during the Meeting is included within the posted agenda;
4. The Member(s) seeking to remotely attend the Meeting complete(s) and submit(s) to the Agency the Notification of Remote Board Meeting Attendance form attached hereto and incorporated herein by this reference stating either "just cause" or an "emergency circumstance" that justifies their attendance via videoconference.
 - a. A Member shall only have "just cause" for remote attendance if such participation is for one of the following reasons:
 - i. To provide childcare or caregiving need to a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner, with such terms having the same meaning as those terms are defined in Government Code Section 12945.2;
 - ii. Due to a contagious illness that prevents the Member from attending in-person;
 - iii. Due to a need related to a physical or mental disability as defined in Government Code Sections 12926 and 12926.1 not otherwise accommodated; and
 - iv. Due to travel while on official business of the Legislative Body or another state or local agency;
 - b. A Member shall have an "emergency circumstance" if such participation is due to a physical or family medical emergency that prevents the Member from attending in person.
5. The Member(s) have not attended a Meeting remotely on the basis of "just cause" for more than two Meetings in the current calendar year;
6. The Member(s) have not attended a Meeting remotely on the basis of "just cause" or "emergency circumstance" for more than five Meetings in a calendar year; and
7. The Legislative Body has, and has implemented, a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities,

consistent with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and resolving any doubt in favor of accessibility. In each instance in which notice of the time of the Meeting is otherwise given or the agenda for the Meeting is otherwise posted, the Legislative Body shall also give notice of the procedure for receiving and resolving requests for accommodation.

8. The numerical limitations set forth in Articles V.5 and V.6. above do not apply if a Member's reason for remote participation at a Meeting is due to "just cause" grounds that relate to a physical or mental disability under Article V.4.a.iii. herein which qualifies for reasonable accommodation pursuant to the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132).

In order to utilize the Expanded Teleconference Procedures, a Member shall:

1. For a "just cause" circumstance, notify the Legislative Body at the earliest opportunity, including at the start of a regular Meeting, of their need to participate remotely for just cause, including a general description of the circumstance relating to their need to appear remotely at the given Meeting;
2. For an "emergency circumstance," request to participate at a Meeting due to an "emergency circumstance" as soon as possible, preferably before the posting of the agenda but up to the start of the Meeting, with such request including a general description of the circumstances relating to their need to appear remotely at the given Meeting, though any description for emergency circumstances need not exceed 20 words and need not include any medical diagnosis or disability or personal medical information exempt from disclosure by law;
3. The Member shall publicly disclose at the Meeting before any action is taken whether any other individuals 18 years of age or older are present in the room at the remote location with the Member, and the general nature of the Member's relationship with such individuals; and
4. Participate through Videoconferencing, with both audio and visual technology.

Upon receipt of a request from a Member to utilize the Expanded Teleconference Procedure, the Legislative Body shall:

1. Take action by majority vote on a request to participate remotely due to an "emergency circumstance" at its earliest opportunity, which may be taken as a noticed agenda item or as an added item if sufficient time was not provided to place the proposed action on the agenda; and
2. In the event of a disruption that prevents the broadcast of the Meeting to members of the public, or in the event of a disruption within the Agency's control that prevents members of the public from offering public comment using the Teleconferencing or Videoconferencing options, take no further action during a Meeting until such access is restored.

Article VI. Emergency Teleconferencing Procedures:

Notwithstanding the Standard Teleconferencing Procedures, a Legislative Body may elect to use these "Emergency Teleconferencing Procedures" to allow Teleconferencing if any of the following circumstances apply:

1. The Legislative Body holds a Meeting during a proclaimed State of Emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees; or
2. The Legislative Body holds a Meeting during a proclaimed State of Emergency and the Legislative Body has determined, by majority vote, that as a result of the emergency, meeting in person would present imminent risks to the health and safety of attendees.

If utilizing the Emergency Teleconferencing Procedures, the Legislative Body shall:

1. Give notice in the agenda for such Meeting of the means by which members of the public may access the Meeting and offer public comment via a Teleconferencing or Videoconferencing option, which shall include an opportunity for public comment in real-time;
2. In the event of a disruption that prevents the broadcast of the Meeting to members of the public, or in the event of a disruption within the Agency's control that prevents members of the public from offering public comment using the Teleconferencing or Videoconferencing options, take no further action during a Meeting until such access is restored; and
3. Not close the public comment period, or the opportunity to register to comment, until the time that the general public comment period has elapsed.

The Legislative Body may continue use of the Emergency Teleconferencing Procedures for as long as the State of Emergency remains active, provided that, not later than 45 days after Teleconferencing for the first time, and every 45 days thereafter, the Legislative Body finds by majority vote that:

1. The Legislative Body has reconsidered the circumstances of the State of Emergency; and
2. The State of Emergency continues to directly impact the ability of the Members to meet safely in person.

In the event of the use of these Emergency Teleconferencing Procedures, it shall not be necessary for the Agency to provide a physical location from which the public may attend or comment.

Article VII. Miscellaneous Provisions:

With respect to the Standard Teleconferencing Procedures, Expanded Teleconferencing Procedures, and Emergency Teleconferencing Procedures set forth herein, such are intended to comply with Government Code Sections 54953(b), (f), and (e), respectively, and, as such, in the event of a conflict between this Policy and such statutory provisions, the statutory provisions shall control and be implemented as if set forth in full in this Policy.

DIRECTOR REMOTE PARTICIPATION WORKSHEET

Type of Meeting	Board Attendance	Public Attendance	Findings/Limitations	Standard Brown Act Requirements G.C. Section 54950 et seq. ("General")
Classic Teleconference meeting [G.C. Sec. 54953(b)]	In person except for teleconferencing director(s)	In person at physical location and teleconference location	None	General requirements plus: * Roll call votes; * Teleconference location identified on agenda; * Teleconference location accessible to the public; * Agenda posted at teleconference location; * Public participation from teleconference location; and * Quorum attending within District boundaries.
AB 2449 meeting [G.C. Sec. 54953(f) until 1/1/26]	In person except for remote director(s)	In person and remote	* Remote director either (1) <i>notifies</i> Board at earliest opportunity possible (but no more than two meetings per calendar year) of just cause (defined as childcare or caregiving of close relatives, contagious illness, physical or mental disability ¹ , or official business travel) or (2) <i>requests</i> remote participation as soon as possible, and Board takes action to approve such request at earliest opportunity, due to emergency circumstances (defined as physical or family medical emergency); and * No director may participate solely from remote locations for more than five meetings within a calendar year.	General requirements plus: * Quorum attending at physical location of meeting within District boundaries; * District must provide means by which public may remotely hear and visually observe meeting by either two-way audiovisual platform, two-way telephonic service and live webcasting, or both; * Agenda must provide information on remote access and participation; * Agenda must include opportunity for public to directly address Board via call-in option, internet-based service option, and in-person option; * If technical difficulties occur, Board must not take any action on agenda items until restoration of service; * Board cannot require public comments be submitted in advance of meeting and must provide opportunity for public to address Board in real time; * Public commenters may be required to register if deemed necessary by third-party remote platform; * Remotely-participating director publicly discloses before any action is taken (1) whether any other individuals 18 years of age or older are present at remote location and (2) general nature of director's relationship with any such individuals; and * Remote director participates through both audio and visual technology.

¹ See Attorney General Opinion No. 23-1002 dated July 24, 2024



Name: _____

Today's Date: _____

Board Meeting Date: _____

NOTIFICATION OF REMOTE BOARD MEETING ATTENDANCE

Subject to Just Cause grounds that relate to a physical or mental disability which qualifies for reasonable accommodation under the federal Americans with Disabilities Act of 1990, 42 U.S.C. Section 12132 ("ADA"), Directors may not attend a meeting remotely on the basis of Just Cause or Emergency Circumstances for more than five meetings in a calendar year

JUST CAUSE

Each Director is responsible for notifying the General Manager and Executive Board Secretary at the earliest opportunity possible (including at the start of a regular meeting) of the need to participate remotely for Just Cause. Unless the need relates to a physical or mental disability which qualifies for reasonable accommodation under the ADA, remote participation for Just Cause reasons shall not be utilized by any Director for more than five meetings per calendar year.

Just Cause means any of the following:

- A childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely.
- A contagious illness that prevents a member from attending in person
- A need related to a physical or mental disability not otherwise accommodated
- Travel while on official business of the legislative body or another state or local agency

A general description (typically not to exceed 20 words) of the circumstances relating to the need to appear remotely at the meeting **must** be included:

EMERGENCY CIRCUMSTANCES

Each Director is responsible for notifying the General Manager and Executive Board Secretary as soon as possible (preferably before posting of the agenda but up to the start of the meeting) of the need to participate remotely due to Emergency Circumstances.

Emergency Circumstances means the following: A physical or family medical emergency that prevents a member from attending in person.

A general description (typically not to exceed 20 words) of the circumstances relating to the need to appear remotely at the meeting **must** be included. The general description of the circumstances does not require the member to disclose any medical diagnosis or disability, or any personal medical information that is already exempt under existing law, such as the Confidentiality of Medical Information Act.

**BOARD INFORMATION****BOARD OF DIRECTORS
STAFF REPORT**

To: TVMWD Board of Directors

From: Matthew H. Litchfield, General Manager 

Date: February 5, 2025

Subject: San Gabriel Valley Council of Governments Joint Powers Authority Membership

Funds Budgeted: \$

Fiscal Impact: \$

Staff Recommendation

No Action Necessary – Informational Item Only

Background

Three Valleys Municipal Water District (Three Valleys), San Gabriel Valley Municipal Water District, and Upper San Gabriel Valley Municipal Water District entered into a Joint Exercise of Powers Agreement and formed the San Gabriel Valley Water Districts Joint Powers Authority (JPA), with the San Gabriel Valley Council of Governments (SGVCOG) on June 9, 2008. The JPA was formed to improve regional coordination and cooperation in water management and planning for the benefit of cities, government entities, and unincorporated areas in the San Gabriel Valley.

Discussion

SGVCOG general counsel reviewed the current JPA and Bylaws, in addition to relevant public laws, in concurrence with this outreach and research effort. Ultimately, SGVCOG counsel determined that it would be in SGVCOG's best interest to remove the San Gabriel Valley Water Districts Joint Powers Authority (representing the San Gabriel Valley, Three Valleys, and Upper San Gabriel Valley Municipal Water Districts) as a full Member. Counsel has discussed this change with each of the three municipal water districts and they will all have the opportunity to join the Affiliate Partnership Program. A copy of the staff report for the January 16, 2025 SGVCOG Board meeting is attached as **Exhibit A**. Affiliate Partnership Program fact sheet is

attached as **Exhibit B**. An Affiliate Partnership Program Letter of Commitment is attached as **Exhibit C**.

Staff is requesting direction from the Board regarding potential Three Valley's membership in the Affiliate Partnership Program.

Environmental Impact

None

Strategic Plan Objective(s)

2.2 – Accountability

Attachment(s)

Exhibit A – SGVCOG Staff Report

Exhibit B – Affiliate Partnership Program Fact Sheet

Exhibit C – Affiliate Partnership Program Letter of Commitment

Meeting History

None

NA/ML

REPORT

DATE: January 16, 2025

TO: Governing Board

FROM: Marisa Creter, Executive Director

RE: **SGVCOG AFFILIATE PARTNERSHIP PROGRAM & JOINT POWERS AUTHORITY (JPA) UPDATE**

RECOMMENDED ACTION

Authorize the Executive Director to take the following actions to establish a new Affiliate Partnership Program:

- 1) Finalize a list of eligible agencies who wish to become affiliates to SGVCOG and seek letters of commitment from those agencies;
- 2) Prepare an amendment to the SGVCOG Bylaws that establishes the privileges, limitations, and dues structure set for affiliates;
- 3) Prepare an amendment to the SGVCOG JPA to remove the San Gabriel Valley Water Districts Joint Powers Authority as a Member; and
- 4) Take any additional actions deemed necessary by SGVCOG General Counsel to enact the Affiliate Partnership Program.

BACKGROUND

On September 19, 2024, the SGVCOG Governing Board directed staff to survey the San Gabriel Valley's unrepresented water agencies and special district public agencies to gauge their interest in becoming members of SGVCOG. The Board also directed staff to report back to the Executive Committee with potential options for expanded SGVCOG membership including differentiated membership levels, proposed dues, and next steps, including changes that would be required to the Joint Powers Authority (JPA) to enact any options.

After meeting with additional water agencies, special districts, other public agencies, and counsel, staff have determined that an Affiliate Partnership Program would be more appropriate than adding new full members to the JPA. A summary of the feedback provided by public agencies from the meetings is below.

- Several agencies expressed interest in participating in SGVCOG committees and working groups;
- When asked about membership dues, several agencies expressed that dues in the \$5,000-\$15,000 range were generally considered reasonable or slightly on the high end of the spectrum;
- Several agency staff explained that they would need SGVCOG staff support to demonstrate to their board members the value and benefits of becoming an affiliate partner to SGVCOG;
- Some agencies raised questions about potential conflicts of interest if their agency's board members overlap with other SGVCOG agency representatives (ie. if an existing city

REPORT

member also became an affiliate representative on a committee – would that person have two separate votes to represent their city and their affiliate agency?); and

- Several agencies expressed interest in co-advocacy campaigns for bills and policies of shared interest.

AFFILIATE PARTNERSHIP PROGRAM

Staff are proposing the following goals and set of benefits associated with the Affiliate Partnership Program.

Overarching Goal: SGVCOG believes that the San Gabriel Valley is stronger when our regional agencies work together to collaborate on shared issues and speak with one voice. The Affiliate Partnership Program is an opportunity to create formal linkages between SGVCOG and other public agencies and enhance that strength.

Benefits:

- **Join Committees & Working Groups.** Affiliates may become a voting member of SGVCOG's Policy Committees and Working Groups, helping recommend projects, programs, and advocacy positions to the Governing Board. Their expertise will enrich Committee and Working Group discussions and ensure that different points of view are considered as SGVCOG seeks to improve the quality of life in the San Gabriel Valley.
- **SGVCOG Staff Liaison.** Affiliates may request an SGVCOG staff liaison to attend its Governing Body's meetings to provide updates when needed. Liaisons will help ensure that SGVCOG's projects and programs have the maximum buy-in and input from regional stakeholders and experts, improving overall project success and impact.
- **Amplified Voice & Messaging.** Affiliates will become part of the SGVCOG community, participating in grand openings, groundbreakings, and recognition ceremonies. They will have the opportunity to build productive relationships with other agency leaders and elected officials. In turn, the SGVCOG community will be enriched by additional connections and a more robust network within the San Gabriel Valley and beyond.
- **Regional Advocacy Efforts.** SGVCOG will collaborate with its affiliates on issues of shared importance, including key legislation, state and federal project funding, and laws related to good governance. By broadening our advocacy coalitions on key policy issues, we will speak leverage more power with elected leaders on a local, state, and federal level.

Other Considerations:

- Staff are recommending that affiliates be permitted to select a Committee or Working Group representative either from their agency's board or staff. This is consistent with the current practice of allowing cities or the County to be represented either by an elected councilmember or supervisor, or staff.
- Eligible public agencies for the Affiliate Partnership Program include JPAs that address issues relevant to SGVCOG programs and projects, including transportation, infrastructure, water, waste management, sustainability, housing, homelessness, and mental health services.
- Staff are recommending that the Governing Board directly appoint affiliates and that affiliates remain in their position without a set term limit for as long as they pay annual dues.

REPORT

Based on research on other similar councils of governments and public agency associations, staff are proposing a tiered dues structure for affiliates. The dues structure will be based on an agency's annual operating budget as opposed to population, which is how city membership dues are currently assessed. Using an agency's operating budget resolves challenges related to new public agency affiliates whose populations may exceed the bounds of the San Gabriel Valley or who may represent a large population but have a limited scope of powers, and therefore available budget. Operating budgets are relatively stable over time and the ranges below are meant to allow agencies to stay within the same tier from year to year.

Annual Budget (Operating Expenses)	Proposed Annual Dues
Tier 1: \$0 - \$25 million	\$5,000
Tier 2: \$25 million - \$100 million	\$7,500
Tier 3: \$100 million +	\$15,000

The dues structure takes into account the limited advantages of the affiliate program – most importantly that the affiliates will not be permitted to be voting members of the Governing Board and that they will not be the primary beneficiaries of SGVCOG expenditures. Therefore, affiliate public agencies of similar size to full member cities will be asked to contribute less in annual dues than their full member counterparts. In addition, by basing the structure on an agency's operating budget, the intention is that requested dues will better match an agency's real ability to pay.

In order to help facilitate this process, staff have prepared a one-pager (Attachment A) to distribute to interested public agencies, to assist with seeking buy-in from their governing bodies.

EXISTING WATER AGENCY MEMBERS

SGVCOG general counsel reviewed the current JPA and Bylaws, in addition to relevant public laws, in concurrence with this outreach and research effort. Ultimately, counsel determined that it would be in SGVCOG's best interest to remove the San Gabriel Valley Water Districts Joint Powers Authority (representing the San Gabriel Valley, Three Valleys, and Upper San Gabriel Valley Municipal Water Districts) as a full Member. Counsel has discussed this change with each of the three municipal water districts and they will all have the opportunity to join the Affiliate Partnership Program.

A memo from SGVCOG general counsel describing this topic in greater detail has been distributed to members separately.

NEXT STEPS

Staff will conduct a final round of outreach to interested agencies and request that their staff seek the necessary authorization to proceed with becoming SGVCOG Affiliates. Staff will seek formal letters of commitment to affirm each agency's intention.

REPORT

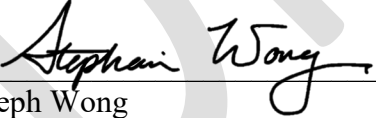
Following that outreach and authorization phase, staff anticipate the need to amend the SGVCOG Bylaws in order to establish the Affiliate Partnership Program, including the process for adding affiliates, limitations and privileges set for affiliates, and other considerations that should be memorialized.


Removing the San Gabriel Valley Water Districts Joint Powers Authority will require a formal amendment to the SGVCOG Joint Powers Authority (JPA), which entails approval by fifty percent (50%) plus one (1) of the total voting membership of the Governing Board. In other words, 51% of existing SGVCOG member agencies must adopt the amended JPA by a majority vote of their legislative bodies.

Staff will seek to complete these steps in time for the new fiscal year, allowing new affiliate members to appropriately budget their anticipated dues and officially launch the program in July 2025.

RECOMMENDATION

The Executive Committee reviewed the proposed Affiliate Partnership Program and subsequently approved the recommendation to the Governing Board authorizing actions to implement it. If approved, the Governing Board would authorize the Executive Director to take three specific actions to create the new affiliate positions. The first would be to finalize a list of eligible agencies who wish to become affiliates to SGVCOG and seek letters of commitment from those agencies. This process is anticipated to take a few months. The second would be to prepare an amendment to the SGVCOG Bylaws that establishes the privileges, limitations, and structure set for the Affiliate Partnership Program, in addition to any complementary provisions. This will establish the Board's intentions behind the program and provide staff direction on how to administer the program moving forward. Third, the Board will authorize the Executive Director to prepare an amendment to the SGVCOG JPA to remove the San Gabriel Valley Water Districts Joint Powers Authority as a Member, for reasons discussed above. Finally, the Board will authorize the Executive Director to take other actions that may be deemed necessary by Counsel to enact this Program and update the SGVCOG Bylaws and JPA accordingly.

Prepared by: 
 Steph Wong
 Principal Management Analyst

Approved by: 
 Marisa Creter
 Executive Director

ATTACHMENT

Attachment A – Affiliate Partnership One-Pager

AFFILIATE PARTNERSHIPS FOR PUBLIC AGENCIES

SGVCOG is seeking to open Affiliate Partnership positions for eligible SGV agencies that will contribute to our organization's expertise, be a sounding board for current and future initiatives, and make our regional voice louder. New affiliates to be added by Spring 2025.



AFFILIATE BENEFITS

COMMITTEES & WORKING GROUPS

Become a voting member of SGVCOG's Policy Committees and Working Groups, helping recommend projects, programs, and advocacy positions to the Governing Board. Limited to members of an agency's legislative/governing body.

SGVCOG STAFF LIAISON

Request SGVCOG staff liaison to attend your Governing Body's meetings to provide updates when needed.

AMPLIFY YOUR VOICE & MESSAGING

Join the SGVCOG community, participate in grand openings, groundbreakings, and recognition ceremonies. Build productive relationships with other agency leaders and elected officials.

JOIN REGIONAL ADVOCACY EFFORTS

SGVCOG is eager to work with regional agencies on issues of shared importance, including key legislation, state and federal project funding matters, and laws related to good governance.

**ONE VALLEY.
ONE VOICE.**

Eligible public agencies include JPAs that address issues relevant to SGVCOG programs and projects, including transportation, infrastructure, water, waste management, sustainability, housing, homelessness, and mental health services.



[CITY LETTERHEAD]

[DATE]

President Tim Hepburn &
Members of the Governing Board
San Gabriel Valley Council of Governments
1333 S. Mayflower Avenue, Suite 360
Monrovia, CA 91016

Attn: Marisa Creter, Executive Director, and Steph Wong, Principal Management Analyst

RE: SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS (SGVCOG) AFFILIATE PARTNERSHIP PROGRAM LETTER OF COMMITMENT

Dear President Hepburn and Members of the SGVCOG Governing Board,

On behalf of the [City/Agency], I write to express our interest in joining SGVCOG's Affiliate Partnership Program. This Program will allow us to cultivate a closer working relationship with SGVCOG and its members, creating opportunities for collaboration and co-benefits. We share SGVCOG's fundamental mission to improve the quality of life in the San Gabriel Valley. In addition, we strongly believe that strengthening our ties with other public agencies in the region will help advance our own priorities.

[City/Agency] acknowledges the benefits associated with the Affiliate Partnership Program, primarily:

- **Join Committees & Working Groups.** Affiliates may become a voting member of SGVCOG's Policy Committees and Working Groups, helping recommend projects, programs, and advocacy positions to the Governing Board. Affiliates will enrich Committee and Working Group discussions and ensure that various points of view are considered as SGVCOG seeks to improve the quality of life in the San Gabriel Valley. Representation on committees will be limited to members of an affiliate's legislative body.
- **SGVCOG Staff Liaison.** Affiliates may request an SGVCOG staff liaison to attend their Governing Body's meetings to provide updates when needed. This will ensure that affiliates are kept updated on SGVCOG's projects and can make comments and suggestions when applicable. Not only will this help maximize buy-in from a wide variety of stakeholders, but it will also improve overall project success and impact.
- **Amplified Voice & Messaging.** Affiliates will become part of the SGVCOG community, participating in grand openings, groundbreakings, and recognition ceremonies. They will have the opportunity to build productive relationships with other agency leaders and elected officials. The SGVCOG community will be enriched by additional connections and a more robust network within the San Gabriel Valley and beyond.
- **Regional Advocacy Efforts.** SGVCOG will collaborate with its affiliates on issues of shared importance, including key legislation, state and federal project funding, and laws related to good governance. By broadening our advocacy coalitions on key policy issues,

the San Gabriel Valley will be able to leverage more collective power with elected leaders on a local, state, and federal level.

It is our understanding that [City/Agency] will not become a party to the SGVCOG Joint Powers Authority through this Program and will not be able to join the decision-making bodies that control SGVCOG's activities.

In addition, we acknowledge the annual dues structure that the SGVCOG Governing Board has approved for agencies to join and remain in the Program. Based on the attached budget document, our agency expects to be in the tier selected below.

Affiliate Partnership Program Dues Structure

Annual Budget (Operating Expenses)	Annual Dues	Anticipated Tier (select one)
Tier 1: \$0 - \$25 million	\$5,000	<input type="checkbox"/>
Tier 2: \$25 million - \$100 million	\$7,500	<input type="checkbox"/>
Tier 3: \$100 million +	\$15,000	<input type="checkbox"/>

Once the SGVCOG Governing Board has completed the process to create the Affiliate Partnership Program, [City/Agency] is committed to joining the Program and is prepared to pay the required dues. We look forward to commencing our affiliate status in July of 2025 and joining the SGVCOG community.

Signature

Name

Title (Board President, Board, Chief Executive Officer, or General Manager)

City

Attachment


[City/Agency] FY24-25 Budget Document



BOARD INFORMATION

BOARD OF DIRECTORS STAFF REPORT

To: TVMWD Board of Directors

From: Matthew H. Litchfield, General Manager 

Date: February 5, 2025

Subject: Southern California Water Coalition Task Force

Funds Budgeted: \$

Fiscal Impact: \$

Staff Recommendation

No Action Necessary – Informational Item Only

Discussion

The Board of Directors approved a membership with the Southern California Water Coalition (SCWC) at the January 15, 2025 Board Meeting. The SCWC offers several task forces for Directors to consider joining:

Stormwater – Provides regional perspective and coordination on stormwater policy issues.

Water Recycling – Led by LADWP and Eastern Municipal Water District with a focus on direct potable reuse education.

Infrastructure Finance – To engineer sustainable funding mechanisms and drive visionary infrastructure projects that will secure our region's water supply for generations to come.

Water Quality – Monitors regional and statewide water quality issues and actively works to ensure science-based research and standards guide state and federal regulations.

Legislative Policy – Provides information and influence needed to stay ahead of the state and federal legislative cycle.

Environmental Impact

None

Strategic Plan Objective(s)

2.2 – Accountability

Attachment(s)

None

Meeting History

None

NA/ML






BOARD INFORMATION

BOARD OF DIRECTORS
STAFF REPORT

To: TVMWD Board of Directors

From: Matthew H. Litchfield, General Manager 

Date: February 5, 2025

Subject: ACWA JPIA Executive Committee Call for Nominations

Funds Budgeted: \$

Fiscal Impact: \$

Staff Recommendation

No Action Necessary – Informational Item Only

Discussion

ACWA JPIA (JPIA) has called an election to fill four Executive Committee member positions, each for a four-year term. JPIA's nomination procedures are attached as **Exhibit A**. All nominations must be received by April 11, 2025. Nominated Directors must submit to JPIA a nominating resolution from TVMWD and three concurring resolutions from other agencies. The JPIA Executive Committee election will take place during the JPIA's Board of Director's meeting on May 12, 2025 at the conference in Monterey, CA.

A nominating resolution will be brought back to the February 19, 2025 Board of Directors meeting for consideration of adoption, if a Director wishes to continue in the process.

Environmental Impact

None

Strategic Plan Objective(s)

2.2 – Accountability

Attachment(s)

Exhibit A – ACWA JPIA nomination procedures

Meeting History

None

NA/ML



ACWA JPIA Nomination Procedures for Executive Committee

Approximately 120 Days before Election (January 10, 2025)

All ACWA JPIA Directors and Member Districts are to be notified of:

- A) Date and place of Election;
- B) Executive Committee positions and terms of office to be filled by Election;
- C) Nomination Procedures.

120 to 30 Days before Election (January 12 – Saturday, April 12, 2025)

- A) A district (that participates in all four of the JPIA's programs: Liability, Property, Workers' Compensation and Employee Benefits) may place into nomination its member of the Board of Directors of ACWA JPIA with the concurrence of three districts, then members of the ACWA JPIA, in addition to the nominating district.
- B) Sample resolutions are available on the ACWA JPIA website.
- C) The **district is solely responsible** for timely submission of the nominating resolution and the three additional concurring in nomination resolutions of its candidate for office.

30 Days before Election (April 12, 2025)

- A) Deadline and location for receiving the nominating and concurring in nomination resolutions in the ACWA JPIA office:

Saturday, April 12, 2025

Laura Baryak

Event Planner

(lbaryak@acwajpia.com)

ACWA JPIA

P. O. Box 619082

Roseville, CA 95661-9082

- B) Candidates' statement of qualifications must be submitted, if desired, with the nominating resolutions. The statement of qualifications must be submitted on one side of an 8½ x 11" sheet of paper suitable for reproduction and distribution to all districts. (MSWord or PDF documents preferred).

14 Days before Election (April 28, 2025)

Final notice of the upcoming Election of Executive Committee members will be included as part of the Board of Directors' meeting packet. Final notice shall include:


- A) Date, Time, and Place of Election;
- B) Name and District of all qualified candidates;
- C) Candidate's statement of qualifications (if received); and
- D) Election Procedures and Rules.



BOARD INFORMATION

BOARD OF DIRECTORS STAFF REPORT

To: TVMWD Board of Directors

From: Matthew H. Litchfield, General Manager 

Date: February 5, 2025

Subject: FY 2025-26 Budget Review Schedule

Funds Budgeted: \$

Fiscal Impact: \$

Staff Recommendation

No Action Necessary – Informational Item Only

Discussion

Included below is the tentative schedule for review of the FY 25-26 budget. Meeting dates listed are tentative and subject to change by the General Manager and the Board.

3/5/25	Board Workshop	Budget Workshop Water Sales Forecast Overall Budget and Rates (1 st draft)
3/18/25	Manager's Meeting	Budget Workshop Water Sales Forecast Overall Budget and Rates (1 st draft)
4/2/25	Board Workshop	Overall Budget and Rates (2 nd draft)
4/8/25	MWD Board Meeting	Confirmation of no changes to previously adopted CY 2026 Rates
4/9/25	Manager's Meeting	Overall Budget and Rates (2 nd draft)
4/16/25	Board Meeting	Adoption of TVMWD FY 2025-26 Budget and CY 2026 Rates

Environmental Impact

None

Strategic Plan Objective(s)

2.1 – Financial Stability

2.2 – Accountability

Attachment(s)

None

Meeting History

None

NA/JV






BOARD INFORMATION

BOARD OF DIRECTORS
STAFF REPORT

To: TVMWD Board of Directors

From: Matthew H. Litchfield, General Manager 

Date: February 5, 2025

Subject: Draft Resolution Authorizing Adoption of the Debt Management Policy

Funds Budgeted: \$

Fiscal Impact: \$

Staff Recommendation

No Action Necessary – Information Only

Discussion

Three Valleys Debt Management Policy was adopted June 19, 2019, and is attached for Board review as **Exhibit A**. The policy is intended to provide written guidelines, allowances and restrictions that guide the debt issuance practices of TVMWD, including the issuance process, management of a debt portfolio, and adherence to various laws and regulations.

Recent legislation requires government agencies to maintain a debt policy when issuing debt. Although TVMWD has been debt free since 2012, staff would rather have the policy established and current prior to such a need. Adoption of the policy would have no immediate impact on TVMWD.

TVMWD contracted Fieldman, Rolapp & Associates, municipal advisor to perform a comprehensive review of our policy and provided the following suggested changes to reflect current legal standards and management's best practices.

- Include limitations on the issuance of variable rate debt, to be no more than 30% of outstanding debt
- Update references for "Financial Advisor" to "Municipal Advisor"
- Include a section on CDIAC's Annual Debt Transparency Reporting requirements, effective January 1, 2017, pursuant to Government code section 8855(k)

- Added clarity that potential Continuing Disclosure requirements include the annual update of certain financial information and preparation of material event notices
- Refer to advice from the Municipal Advisor in connection with the selection of an Underwriter
- Update language for the Disclosure Counsel subsection allowing the same firm to be used for Bond Counsel and Disclosure Counsel services

Staff would seek to return the policy and resolution (attached as **Exhibit B**) to the February 19, 2025 meeting for approval.

Environmental Impact

None

Strategic Plan Objective(s)

2.1 – Financial Stability

2.2 – Accountability

Attachment(s)

Exhibit A – Debt Management Policy Red Lined

Exhibit B – Draft Debt Management Policy Resolution

Meeting History

Special Board of Directors Workshop, December 16, 2024, Informational Item

NA/JV

THREE VALLEYS MUNICIPAL WATER DISTRICT Debt Management Policy

1) Introduction

- a) Three Valleys Municipal Water District (TVMWD) is a special district formed by public election in 1950 and is the area's primary source of supplemental water covering the Pomona, Walnut and East San Gabriel Valleys. TVMWD is one of 26-member agencies of the Metropolitan Water District of Southern California (MWD) that is authorized to deliver wholesale water supplies from the Colorado River and Northern California. The region served by TVMWD spans over 133 square miles and serves 13 retail member agencies that in turn serve a population of over 500,000. The mission of TVMWD is to supplement and enhance local water supplies to meet our region's needs in a reliable and cost-effective manner.
- b) The Three Valleys Municipal Water District Financing Corporation (Financing Corporation) was formed in 1992 to provide assistance to TVMWD in the financing and refinancing, or acquiring, constructing and rehabilitating various facilities, land and equipment, and the sale and leasing of facilities, land and equipment for the use, benefit and enjoyment of the public served by TVMWD and any other purpose incidental thereto.

2) Purpose

- a) TVMWD's Debt Management Policy (the Policy) as set forth herein provides written guidelines, allowances, and restrictions that guide the debt issuance practices of TVMWD, including the issuance process, management of a debt portfolio, and adherence to various laws and regulations. Adherence to the Policy is essential to ensure TVMWD maintains a debt portfolio that supports TVMWD's financing needs and minimizes cost of funds. Adherence also signals to rating agencies and the capital markets that an agency is well managed and therefore is likely to meet its debt obligations in a timely manner.
- b) TVMWD's Board of Directors (the Board) acknowledges that changes in the capital markets and other unexpected events may, from time to time, create situations and opportunities that are not contemplated by this Policy and may require adjustments or exceptions to the guidelines of the Policy. In such circumstances, the ability to be flexible is important; however, any authorization granted by the Board to proceed with a financing or financial product not expressly permitted by the Policy must be accompanied by an acknowledgement of the Board that the actions to be taken by TVMWD are not specifically authorized by the Policy in force at that time. The Policy shall be initially adopted by the Board and reviewed annually and approved as changes occur.

3) Roles and Responsibilities

- a) Chief Finance Officer (CFO) - The CFO is responsible for developing debt financing recommendations, debt issuance and oversight of debt management. The CFO shall consider the need for debt financing based on the Five-Year Capital Program (Capital Program).

THREE VALLEYS MUNICIPAL WATER DISTRICT Debt Management Policy

- b) General Manager (GM) - The GM shall determine projects and timelines for the Capital Program that may require debt financing. The GM will be responsible for updating this Policy and submitting to the Board for review and adoption.
- c) The Board - The Board approves the Capital Program and authorizes all debt transactions.
- d) Consultants - TVMWD may hire consultants to perform specific debt-related tasks as outlined in Section 19.

4) Capital Program

- a) TVMWD recognizes the need to invest in ongoing capital replacement and rehabilitation of its facilities as well as new infrastructure to ensure future viability of services. To endorse prudent fiscal management, TVMWD is committed to systematic capital planning and long-term financial planning. Evidence of this commitment is demonstrated through the Capital Program, which is integrated within TVMWD's Strategic Plan and ensures the projects of the Capital Program are in alignment with the goals and objectives of the Strategic Plan. Both the Capital Program and the Strategic Plan are adopted and adjusted annually.
- b) Capital projects may include the acquisition/construction/enhancement of land, facilities, or infrastructure that enhance TVMWD's ability to achieve its mission. The Capital Program shall specifically include the following:
 - i) Description and purpose of each capital project
 - ii) How the project meets TVMWD's objectives
 - iii) Cost estimate and timeline
 - iv) Estimated or approved grant funding
 - v) Estimated annual cost of O&M and staff time saved or incurred by the project

5) Use of Debt

- a) TVMWD expects to pay the Capital Program from a combination of current revenues, available reserves, and prudently issued debt. TVMWD recognizes that debt can provide an equitable means of financing projects for its customers and provide access to new capital needed for infrastructure and projects. Debt may be used to meet financing needs (i) if it meets the goals of equitable treatment of all customers, both current and future; (ii) if it is cost-effective and fiscally prudent, responsible, and diligent under the prevailing economic conditions; (iii) is the best alternative as compared to other funding sources including grants or other arrangements in lieu of incurring debt; and (iv) if there are other important policy reasons therefor.
- b) Debt can be issued to fund the planning, pre-design, design, land and/or easement acquisition, construction, and related fixtures, equipment and other costs of capital projects as permitted by law. Debt cannot be issued for ongoing operations and maintenance. The proceeds of any debt obligation shall be expended only for the purpose for which it was authorized.
- c) TVMWD may also utilize short term financing (including leases) to finance certain essential equipment and vehicles.
- d) The weighted average useful life of the asset(s) or project ~~may shall~~ exceed the payout schedule of any debt TVMWD issues; however, such period shall comply with federal tax codes ~~assumes~~.

THREE VALLEYS MUNICIPAL WATER DISTRICT Debt Management Policy

6) Debt Capacity

- a) There is no specific provision within the California Government Code that limits the amount of debt that may be issued by TVMWD. TVMWD's borrowing capability is limited by the additional bonds test and debt coverage ratio required by any existing bond covenants. TVMWD will be mindful of its overall debt burden in the context of its revenues, expenses, reserves and overall financial health.

7) Types of Debt

- a) Revenue bonds, Certificates of Participation (COPs), variable rate bonds, state revolving fund (SRF) loans, federal loans, bank loans, notes, commercial paper, direct placements, capital leases, lease-purchase financing, and lines of credit are all acceptable types of debt.
- b) In addition to the aforementioned long and short-term financing instruments, TVMWD and the Financing Corporation may also consider joint arrangements with other governmental agencies. TVMWD will only be liable for its share of debt service, as specified in a contract executed in connection with the joint venture debt.
- c) TVMWD is authorized to join with other special districts and/or municipal agencies to create a separate entity, a Joint Powers Authority (JPA), to issue debt on behalf of TVMWD. TVMWD will only be liable for its share of debt service, as specified in a contract executed in connection with the joint venture debt.

8) Debt Service Reserve Fund/Surety Policy

- a) If there are market requirements or it is important to ~~raise~~increase credit ratings, TVMWD ~~will~~may fund a debt service reserve fund as part of its debt issuance.

9) Debt Structure Considerations

- a) In structuring a debt issuance, TVMWD will manage the amortization of debt, and to the extent possible, match its cash flow to the anticipated debt service payments. TVMWD will seek to structure debt with aggregate level principal and interest payments over the life of the borrowing. Backloading of debt service will be considered only when such structuring is beneficial to TVMWD's aggregate overall debt payment schedule.
- b) The CFO and GM, with the advice of TVMWD's Financial-Municipal Advisor, will evaluate and recommend to the Board the use of a call option, if any, and call protection period for each issuance. A call option, or optional redemption provision, gives TVMWD the right to prepay or retire debt prior to its stated maturity. This option may permit TVMWD to achieve interest savings in the future through refunding of the bonds. Because the cost of call options can vary widely, depending on market conditions, an evaluation of factors, such as the call premium, time until the bonds may be called at a premium or at par, and interest rate volatility will guide the decision to issue bonds with a call option.

THREE VALLEYS MUNICIPAL WATER DISTRICT Debt Management Policy

10) Debt Management Analysis

- a) The CFO is responsible for periodic monitoring of outstanding debt and providing a written analysis to the Board on at least an annual basis. The analysis will summarize changes, opportunities for refundings or refinancings, strategies and any other information critical to allowing the Board to make an informed decision. It will spotlight the needs based on the Capital Program and other considerations.

11) Debt Refunding and Refinancing

- a) Debt can be refunded or refinanced to achieve one or more of the following objectives:
 - i) Reduce future interest costs;
 - ii) Restructure future debt service in response to evolving conditions regarding anticipated revenue sources
 - iii) Remove undesirable covenants

12) Method of Sale

- a) TVMWD will select a method of sale that is the most appropriate when considering the financial, market, transaction-specific and Issuer-related conditions. There are three basic methods of sale:
 - i) Competitive Sale
 - ii) Negotiated Sale
 - iii) Private Placement
- b) Each type of debt sale has the potential to provide the lowest cost given the right conditions. The CFO and the ~~Municipal~~Financial Advisors will recommend to the Board the most appropriate method of sale in light of prevailing financial, market and transaction-specific conditions.

13) Internal Control Procedures

- a) All debt transactions must be approved by the Board. The proceeds of bond sales will be invested until used for the intended project(s) in order to maximize utilization of the public funds. The investments will be made to obtain the highest level of 1) safety, 2) liquidity, and 3) yield, and may be held as cash. TVMWD's investment guidelines and bond indentures will govern objectives and criteria for investment of bond proceeds. The CFO will oversee the investment of bond proceeds in a manner to avoid, if possible, and minimize any potential negative arbitrage over the life of the bond issuance, while complying with arbitrage and tax provisions.
- b) Bond proceeds will be deposited and recorded in separate accounts to ensure funds are not comingled with other forms of TVMWD funds. TVMWD's Trustee or Fiscal Agent will administer the disbursement of bond proceeds pursuant to each ~~certain~~ Indenture of Trust or Fiscal Agent Agreement, respectively. To ensure proceeds from bond sales are used in accordance with legal requirements, invoices are submitted by the originating department and approved by the CFO and GM for payment.

THREE VALLEYS MUNICIPAL WATER DISTRICT Debt Management Policy

14) Credit/Ratings Objectives

- a) TVMWD will seek to maintain the highest possible credit ratings that can be achieved for debt instruments without compromising TVMWD's policy objectives. Ratings are a reflection of the general fiscal health of TVMWD. By maintaining the highest possible credit ratings, TVMWD can issue its debt at a lower interest cost.
- b) To enhance creditworthiness, TVMWD is committed to prudent financial management, systematic capital planning, and long-term financial planning.
- c) TVMWD recognizes that external economic, natural, or other events may from time to time affect the creditworthiness of its debt. Each proposal for additional debt will be analyzed for its impact upon TVMWD's debt rating on outstanding debt.

15) Compliance with Bond Covenants

- a) In addition to financial disclosure and arbitrage compliance, once the bonds are issued, TVMWD is responsible for verifying compliance with all undertakings, covenants, and agreements of each bond issuance on an ongoing basis. This typically includes ensuring:
 - i) Annual appropriation of revenues to meet debt service payments
 - ii) Timely transfer of debt service payments to the trustee or paying agent
 - iii) Compliance with insurance requirements
 - iv) Compliance with rate covenants where applicable
 - v) Compliance with all other bond covenants
- b) On an annual basis, the CFO will prepare all required debt related schedules, disclosures and footnotes for inclusion in TVMWD's Annual Comprehensive ~~Annual~~ Financial Report (CAFR). The CAFR shall describe in detail all funds and fund balances established as part of any direct debt financing of TVMWD. The CAFR will also contain information detailing any material or rate covenants contained in any direct offering of TVMWD and whether such covenants have been satisfied.

16) Disclosure and Arbitrage Rebate Compliance

- a) TVMWD will comply with all financing covenants to maintain the validity of the issuance of debt, including, but not limited to tax-exemption, arbitrage rebate compliance, insurance provisions, reporting and monitoring requirements. TVMWD will ensure compliance with all continuing disclosure requirements as part of its ongoing debt program, including but not limited to the disclosure of annual financial information and material event notices. Any instance of noncompliance will be reported to the Board.

17) SB 1029 Compliance

- a) SB 1029, signed on September 12, 2016 and now part of Government Code Section 8855, requires issuers to adopt debt policies addressing each of the five items below.
 - i) The purposes for which the debt proceeds may be used.
 - (1) Section 5 of this policy provides information regarding the purposes for which TVMWD may spend debt proceeds.
 - ii) The types of debt that may be issued.
 - (1) Section 7 of this policy provides information regarding the types of debt TVMWD may issue.

THREE VALLEYS MUNICIPAL WATER DISTRICT Debt Management Policy

- iii) The relationship of the debt to, and integration with, the issuer's capital improvement program or budget, if applicable.
 - (1) Sections 4 and 10 of this policy provide information regarding the relationship between the TVMWD's debt and capital improvement program.
- iv) Policy goals related to the issuer's planning goals and objections.
 - (1) Section 4 describes the TVMWD's planning goals and objectives.
- v) The internal control procedures that the issuer has implemented, or will implement, to ensure that the proceeds of the proposed debt issuance will be directed to the intended use.
 - (1) Section 13 of this policy provides information regarding the TVMWD's internal control procedures designed to ensure that the proceeds of a debt issuance are spent as intended.
- b) Pursuant to Government Code Section 8855(k), TVMWD will submit annual debt transparency reports for any debt for which it has submitted a report of final sale on or after January 21, 2017 every year until the later date on which the debt is no longer outstanding and the proceeds have been fully spent.

18) SB 450 Compliance

- a) SB 450, signed on October 9, 2017 and now part of Government Code Section 5852, requires issuers to disclose ~~good faith estimates~~ the full cost of using bond financing prior to approving the ~~issuance~~ issue of the bonds. The following good faith information will be disclosed in a public meeting prior to the approval of issuance of bonds:
 - i) The true cost on the bonds
 - ii) The sum of all fees and charges to issue the bonds
 - iii) The amount of proceeds to be generated by the sale of the bonds
 - iv) The total amount of the issuer's obligation to bondholders

19) Consultants

- a) Municipal ~~Financial~~ Advisor
 - i) The municipal advisor will advise TVMWD on refunding opportunities for current outstanding debt, as well as assist in evaluating the merits of competitive, negotiated or private placement of new debt, and determining the most appropriate structure to ensure effective pricing that meets the TVMWD's near-term and long-term cash flow needs. The municipal advisor will work with all parties involved in the financing transaction, including the TVMWD's bond counsel, trustee, underwriters, credit liquidity providers, to develop and monitor the financing schedule and preparation of the Official Statement. The municipal advisor will assist TVMWD in developing and distributing bid specifications for desired services, such as, trustee and paying agents, printing, remarketing and credit liquidity service providers, and assist TVMWD in its review process. TVMWD also expects that its municipal advisor will provide objective advice and analysis, maintain confidentiality of the TVMWD's financial plans, and be free from any material conflict of interest.
 - ii) TVMWD will select independent municipal advisors. While serving as the TVMWD's municipal advisor, a firm may not also engage in the underwriting of TVMWD bond issue for which that firm acts as municipal advisor. A firm may not switch roles (i.e., from municipal advisor to underwriter) after a financial transaction

**THREE VALLEYS MUNICIPAL WATER DISTRICT
Debt Management Policy**

has begun. Municipal advisors shall be selected through a competitive qualification process after a review of proposals by the CFO, GM, and/or other staff, and is subject to approval by the Board.

- iii) During the contract term of any party acting as municipal advisor, neither the firm nor any individual employed by that firm will perform financial advisory, investment banking or similar services for any entity other than TVMWD in transactions involving a TVMWD financial commitment.
- b) Bond Counsel
 - i) Bond counsel will prepare the necessary authorizing resolutions, agreements and other documents necessary to execute the financing. All debt issued by TVMWD or the Financing Corporation will include a written opinion by bond counsel affirming that TVMWD is authorized to issue the debt, stating that TVMWD has met all state constitutional and statutory requirements necessary for issuance, and determining the debt's federal income tax status.
 - ii) TVMWD will retain external bond counsel for all debt issues. The CFO will make recommendations for approval by the Board on the retention of bond counsel.
 - iii) Bond and Disclosure Counsel services may be provided by the same firm.
- c) Disclosure Counsel
 - i) Disclosure Counsel will be responsible for ensuring that the official statement complies with all applicable rules regulations and guidelines.
 - ii) TVMWD may engage and retain, when appropriate, Disclosure Counsel through a competitive process administered by the CFO to prepare official statements for debt issues. Disclosure Counsel will be a nationally recognized firm with extensive experience in public finance.
- d) Underwriters
 - i) For negotiated sales, TVMWD will generally select or pre-qualify underwriters through a competitive process. This process may include a request for proposal or qualifications to firms considered appropriate for the underwriting of a particular issue or type of bonds. With the advice of the Municipal Advisor, ~~t~~The CFO and GM will determine the appropriate method to evaluate the underwriter submittals and then select or qualify firms on that basis. TVMWD will not be bound by the terms and conditions of any underwriting agreements; oral or written, to which it was not a party.

RESOLUTION NO. DRAFT

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THREE VALLEYS MUNICIPAL WATER DISTRICT
AUTHORIZING ADOPTION OF DEBT MANAGEMENT POLICY**

WHEREAS, Three Valleys Municipal Water District (“the District”) recognizes that debt can provide an equitable means of financing projects for its customers and provide access to new capital needed for infrastructure and projects.

WHEREAS, the District expects to pay the Capital Program from a combination of current revenues, available reserves, and prudently issued debt.

WHEREAS, the Board of Directors wishes to ensure that debt is issued and managed prudently in order to maintain a sound fiscal position and protect credit quality.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors does hereby authorize the attached Debt Management Policy.

ADOPTED and PASSED at a meeting of the Three Valleys Municipal Water District’s Board of Directors, on this 19th day of February 2025, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Mike Ti, President


ATTEST:

Jeff Hanlon, Secretary

SEAL:

**BOARD INFORMATION****BOARD OF DIRECTORS
STAFF REPORT**

To: TVMWD Board of Directors

From: Matthew H. Litchfield, General Manager 

Date: February 5, 2025

Subject: Draft Resolution Authorizing Adoption of the Reserve Policy

Funds Budgeted: \$

Fiscal Impact: \$

Staff Recommendation

No Action Necessary – Information Only

Background

In 2013 the Board approved Resolution No. 19-02-844, approving reserve categories and funding goal levels as part of the strategic plan process. The Reserve Policy has been reviewed by staff and consultant Fieldman, Rolapp, & Associates, and a revised policy is being proposed.

Discussion

This Reserve Fund Policy (the "Policy") has been developed to maintain prudent management of the finances related to the operations of the Three Valleys Municipal Water District (TVMWD), by establishing and maintaining practical reserve funds. Designated Reserves provide funding for scheduled and unscheduled expenses including operation and maintenance, debt service, emergencies, capital improvement, repair and replacement, and for the stabilization of revenues and charges.

This Policy describes sensible reserve fund needs, identifies the sources and uses of funding for such reserves, and recommended target amounts for reserve funds. Reserves are highly regarded by credit rating agencies, credit providers and investors. Reserves will be accumulated and maintained to allow the TVMWD to fund operating expenses and capital expenditures in a manner consistent with its Operating and Capital Improvement Budget and avoid significant member rate fluctuations due to changes in cash flow requirements. The monies to fund the

reserves should come from revenues of District operations after operating expenses, including debt service obligations, are met.

The proposed Policy establishes specific reserve funds with set target levels with minimum and maximum amounts. Details of the proposed Policy can be reviewed in the attached draft Reserve Policy as **Exhibit A** to the recommended draft Reserve Policy Resolution **Exhibit B**.

Staff seeks to return this item to the February 19, 2025 meeting for approval.

Environmental Impact

None

Strategic Plan Objective(s)

2.1 – Financial Stability

2.2 – Accountability

Attachment(s)

Exhibit A – Draft Reserve Policy

Exhibit B – Draft Reserve Policy Resolution

Meeting History

Special Board of Directors Workshop, December 16, 2024, Informational Item

NA/JV

THREE VALLEYS MUNICIPAL WATER DISTRICT DESIGNATED RESERVE FUND POLICY

1.0 INTRODUCTION

This Reserve Fund Policy (the "Policy") has been developed to maintain prudent management of the finances related to the operations of the Three Valleys Municipal Water District (the "District"), by establishing and maintaining prudent reserve funds. Designated Reserves ("Reserves") provide funding for scheduled and unscheduled expenses including operation and maintenance, debt service, (if any), emergencies, capital improvement, repair and replacement, and for the stabilization of rates and charges.

This Policy describes the prudent reserve fund needs, identifies the sources and uses of funding for such reserves, and recommended target amounts for reserve funds. Reserves are highly regarded by credit rating agencies, credit providers and investors. Reserves will be accumulated and maintained to allow the District to fund operating expenses and capital expenditures in a manner consistent with its Operating and Capital Improvement Budget and avoid significant member rate fluctuations due to changes in cash flow requirements. The monies to fund the reserves should come from revenues of District operations after operating expenses, including debt service obligations, are met.

Through a variety of policy documents and plans, including the District's strategic plan, Master Plans and other financial policies, the Board has set forth a number of long-term goals for the District. A fundamental purpose of the District's policy documents and plans are to link what must be accomplished with the necessary resources to successfully do so.

The Board of Directors ("Board") may designate specific Reserve Funds and maintain minimum fund balances consistent with statutory obligations that it has determined to be in the best interest of the District. The Policy directives outlined in this document are intended to ensure that the District has sufficient funds to meet current and future needs. The Board will review the level of funds in accordance with the review and approval of the Operating and Capital Improvement Budget.

2.0 STATEMENT OF PURPOSE

The purpose of this Policy is to ensure the District's financial stability, and to have sufficient funding available to meet its operating, capital and debt service, if any, obligations. This plan establishes the level of reserves necessary for maintaining the District's creditworthiness and ratings and for adequately providing for:

- Cash flow requirements and working capital;
- Economic uncertainties and other financial hardships, including performance of the national, regional and local economies;
- Infrastructure replacements;
- Water supply reliability;
- Emergency repairs;
- Local disasters, natural disasters or catastrophic events;
- Loss of significant revenue sources due to variations in water sales resulting from, among other things, variable weather conditions or conservation;
- Unfunded mandates including regulatory requirements.

3.0 TYPES OF RESERVES

The establishment of reserve funds is in the best interest of the District. Traditional reserve policy categories are typically classified as follows:

- Operating Reserves (Working Capital);
- Emergency or Contingency Reserves;
- Capital Improvement and Replacement Funds (Pay-go);
- Major Capital Reserves (major capital projects typically bond funded);
- Revenue Stabilization Reserves;
- Restricted Reserves Fund.

Reserve funds are established utilizing the following criteria:

- Distinguish between legally restricted and unrestricted amounts;
- Contain a defined and distinct purpose;
- Contain a target level or a range of target levels;
- Identify events or conditions that prompt the use of the reserves;
- Identify the requirements that must be met to use the funds;
- A mechanism to initially fund and to replenish reserves to approved levels;
- A priority for funding from remaining revenues after payment of operations, debt service, if any, and capital;
- Specify periodic review dates, usually annually as part of the budget process, for balances and target levels;
- Balances should be maintained in amounts sufficient to meet minimum reserve targets in cash and/or cash equivalents.

The District will analyze the benefits and trade-offs of utilizing Pay-Go and/or debt financing to determine the optimal funding strategy or combination of funding strategies in accordance with the District's Debt Management Policy Section 5). The District will do

this analysis in the context of funding future capital facilities and maintaining and replacing existing assets. The analysis will consider the District's current and projected liquidity, capital positions, the impact of inflation, the cost of water and other operational factors of the District and its capital improvement program. The District will measure its liquidity position by calculating "Day's Cash" or other appropriate liquidity calculations. In addition, the District will calculate its capital position, as measured by its debt-to-equity ratio and any other appropriate calculation.

Earnings from the investment of funds received by the District can be allocated to the unrestricted reserves based on Board direction.

4.0 UNRESTRICTED RESERVES

4.1 Operating Reserve Fund (Working Capital Fund)

These funds are maintained to safeguard the financial viability and stability of the District and are funded from rates and charges and property taxes. The District maintains the Operating Reserve to safeguard against unexpected fluctuations in budgeted expenses and revenues due to unforeseen events or timing of receipt of payments. Funds can be expended to meet operation needs, to cover biennial election and associated costs, or to fund costs for water purchases that may be opportunistic to increase water supply reliability. Operating Reserves are typically established based on percentage of operating expenses and can range from fifteen percent (15%) to fifty (50%) of annually budgeted operating expenses, exclusive of imported water costs and pass-through costs, debt service on outstanding debt, depreciation, and amortization of intangibles. Actual funding targets for the Operating Reserve Funds depend on numerous variables, including but not limited to the timing of revenues receipts; the timing of expenses; the variability of water supply and demand; etc.

Target Levels –The Operating Reserve Fund shall have a minimum amount equal to 15% of annual budgeted operating expenses plus \$2 million to fund potential water purchases, a maximum amount equal to 50% of annual budgeted operating expenses plus \$2 million, and a target amount equal to 25% of annual budgeted operating expense, exclusive of imported water costs and pass-through costs, depreciation, amortization of intangibles and debt service on outstanding debt, plus \$2 million.

Replenishment – If at any time the amount on deposit declines below ten percent (10%) of annual budgeted operating expense, the District will take steps to restore

the amount on deposit within two (2) years to 25% of annual budgeted operating expenses.

Source of funding: Revenues of the District.

4.2 Emergency Reserves

This reserve is established to provide additional liquidity in the event of a natural disaster, financial crisis, various economic uncertainties or financial hardships, loss of significant revenue sources, or local disasters. Funds can be used for capital obligations, cash flow requirements, unfunded mandates including costly regulatory requirements and other such needs. These amounts should supplement monies received from insurance claims and by state and federal programs.

Target Levels –The District shall maintain an Emergency Reserve equal to four and a half percent to eight percent of its net capital assets. The minimum target is four and a half percent (4.5%) of net replacement value of the District’s capital assets, net of depreciation, and the maximum funding level shall be eight percent (8%) of the District’s capital assets net of depreciation, but in no event more than \$10,000,000. For purposes of clarity, in order to provide funding in an emergency, the Board may authorize the use of all funds in the Emergency Reserve and the District will not be in violation of this Policy in fully depleting this Emergency Reserve.

Replenishment – When the amount on deposit falls below two percent (2%) of net assets, the District will take steps to restore the amount on deposit within three years from water rates.

Authorization – At the recommendation of the General Manager, or designee, the District Board may authorize the use of funds from the Emergency Reserve. Upon the occurrence of an event identified above and until such time that the Board can act, the General Manager is authorized to approve the use of an amount of funds per limitations described in the District’s Purchasing Policy.

Source of funding: Revenues of the District.

4.3 Capital Improvement and Replacement Funds (Pay-go)

These funds are established as Reserves for the District’s non-debt funded board approved capital program. Funds from this reserve are intended to fund Pay-go capital and asset replacement costs, plus any contingency amounts for these

projects. For purposes of clarity, in order to provide funding for needed projects, the Board may authorize the use of all funds in the Capital Improvement and Replacement (Pay-go) and the District will not be in violation of this Policy in fully depleting this Reserve.

Target Levels – The minimum target level of this fund is the greater of i) \$3,500,000 or ii) the of Repair and Replacement (“R&R”) spent on Pay-go projects for the next fiscal year, and the target balance is the R&R spent on Pay-go capital projects for the next three (3) fiscal years. The purpose of this limit is to ensure that at the start of each fiscal year, funds are available to pay for the planned Pay-go capital costs. The District will take steps to make contributions to this fund as necessary to meet future Pay-go capital needs.

Authorization – Upon the approval by the District’s Board of the capital improvement plan budget, Staff is authorized to use funds from the Capital Improvement and Replacement Funds (Pay-go) to pay for the projects approved in the budget.

Source of funding: Revenues of the District.

4.4 Major Capital Reserve Fund

The District seeks to maintain a Major Capital Reserve Fund to provide funding of planned major capital project expenditures plus an amount for related contingencies. This reserve is established to ensure that proper balances are maintained, and projects are properly planned in consideration of rate impacts.

Solely for the purposes of calculation, the District will take into account all amounts currently available from any debt financing for capital purposes as included in the Major Capital Reserve Fund, in addition to any amounts set-aside herein from sources other than debt proceeds. Nothing herein will alter, amend or change the treatment of, or accounting for debt proceeds as prescribed in the governing documents of such debt.

Target Levels – It is recommended that the District maintain the proper balance in an amount sufficient to fund planned major capital expenditure. The minimum funding level is the minimum of major capital projects for the next fiscal year and the target level is reflective of the major capital projects for the next three (3) fiscal years.

The District will take steps to make contributions to this fund as necessary to meet future major capital needs.

Authorization – Upon the approval by the District Board of the capital projects, Staff is authorized to use funds from the Major Capital Reserve Fund to pay for the projects approved.

Source of funding: Revenues of the District.

4.5 Revenue Stabilization Reserve Fund

These funds are maintained to provide the District with the ability to supplement revenues losses when water sale revenues are under-collected.

Target Levels – Funding targets for the Revenue Stabilization Reserves depend on numerous variables including, but not limited to, the timing and volatility of revenues and the variability of water supply and demand, among other things. The Revenue Stabilization Reserves shall have a minimum amount equal to ten percent (10%) of water sales shortages over a two (2) year period , and a target amount equal to ten percent (10%) of water sales shortages over a three (3) year period. Upon the recommendation of the General Manager and notwithstanding the recommended minimum level, the District Board may approve the use of all funds on deposit in the Revenue Stabilization Reserves towards offsetting a proposed rate increase.

Authorization – Upon the approval by the Board of Directors of the District's budgeted funds to be used to offset any rate increase, such amounts shall be transferred to the District's revenue fund.

Source of funding: Revenues, surplus funds of the District,.

5.0 RESTRICTED RESERVES

Restrictions on the use of these funds are imposed by an outside source such as creditors, grantors, contributors, laws, or regulations governing use.

5.1 Employee Benefits

To accumulate funds to offset net other postemployment benefits (OPEB) and pension liabilities held at CalPERS. Funds to be deposited at the close of each fiscal year to the OPEB Trust until the balance of the trust and amounts held at CalPERS

reaches approximately ninety percent (90%) of the total liability. This reserve will maintain the remaining ten percent (10%) to offset the unfunded liability and to ensure the trust is not overfunded.

Target Levels – Funded annually by the Budget using surplus revenues following receipt of CalPERS unfunded liability payments, in an amount not to exceed 10% of the net OPEB and CalPERS pension liabilities.

Authorization – Use of these funds to meet 90% unfunded liability.

Source of funding: Surplus Revenues.

5.2 Debt Proceeds Funds

Debt proceeds funds are monies derived from the proceeds debt. Typically, they consist of construction fund monies and may include a debt service reserve fund (“DSRF”), if such was deemed necessary. The use of these proceeds is restricted by the conditions set forth in the respective legal documents. These funds are usually held by the Trustee and provided to the District when requested, pursuant to the respective legal documents, and as outlined in Section 13) of the Debt Management Policy.

Target Levels – The debt service reserve requirement is established at the time of the bond issue. This amount may be recalculated as the bonds are paid down. Any excess principal and/or interest earnings can be used to pay debt service on the bonds.

Events or Conditions Prompting the Use of the Fund(s) – As stipulated in the respective legal documents. Construction fund monies are expected to be spent on applicable projects, while DSRF can only be used in the event of a shortfall in revenues to pay debt service or to pay down principal at maturity.

Periodic Review Dates for Balances – Reviewed by the Trustee and District Staff.

Authorization – Based on related bond documents, District Staff can initiate transfer.

Source of Funding: Any excess principal and/or interest earnings can be used to pay debt service on the bonds.

6.0 REPORTING

The annual budget document will include a reserve analysis, showing reserve amounts and targets for each type of reserve fund. Staff will identify any major change in conditions which may threaten reserve levels, and the General Manager will provide an analysis to the Board of Directors. This analysis would include an explanation of why reserve levels are below targeted levels and/or a recommended course of action to improve reserve levels.

7.0 COMPLIANCE

The District's Board may waive any requirements of this Policy upon the recommendation of the General Manger or Chief Financial Officer after consultation with bond counsel and the municipal advisor. Further, the Board waives the initial proposed minimum funding level as long as the minimum thresholds are achieved within three (3) fiscal years.

The following table illustrates the Reserve Fund Policy target levels based on priority:

Reserve Fund		<u>Funding Levels</u>		
		<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>
		<u>Unrestricted Reserves</u>		
1	Operating Reserve (Working Capital)	15% of annual operating expense budget, net of imported water cost and pass-through costs, interest expense, depreciation and amortization, plus \$2 million.	25% of annual operating expense budget, net of imported water cost and pass-through costs, interest expense, depreciation and amortization, plus \$2 million.	50% of annual operating expense budget, net of imported water cost and pass-through costs, interest expense, depreciation and amortization, plus \$2 million.
2	Emergency Reserve	4.5% of the net replacement value of the District's capital assets, net of depreciation	6% of the net replacement value of the District's capital assets net of depreciation	8% of the replacement value of the District's capital assets net of depreciation (no more than \$10,000,000)

3	Capital Improvement and Replacement Reserve (Pay-go)	Greater of i) \$3,500,000 or ii) R&R Pay-go projects for the next fiscal year	R&R Pay-go projects for the next 3 years	NA
4	Major Capital Reserve	Major capital projects for the next fiscal year	Major capital projects for the next three (3) fiscal years	NA
5	Revenue Stabilization Reserve	10% of water sales shortages over a two (2) year period	10% of water sales shortages over a three (3) year period	NA

DRAFT

RESOLUTION NO. DRAFT

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THREE VALLEYS MUNICIPAL WATER DISTRICT
AUTHORIZING ADOPTION OF RESERVE POLICY**

WHEREAS, the purpose of the Three Valleys Municipal Water District (“the District”) Reserve Policy is to ensure that the District continues to have sufficient funding available to meet its operating, capital and debt service obligations.

WHEREAS, the Board of Directors deems having established reserve policies is consistent with sound and prudent fiscal practices as well as legal requirements.

WHEREAS, the Reserve Policy establishes various reserve categories, defines the purpose and use of the funds, and identifies target levels.

WHEREAS, the Board of Directors understands that District goals and objectives may change, and as such, District reserve levels may need to be reevaluated from time to time.

WHEREAS, the adoption of this resolution will supersede all previous resolutions passed by the Board of Directors with respect to reserve policies.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors does hereby authorize the Reserve Policy.

ADOPTED and PASSED at a meeting of the Three Valleys Municipal Water District’s Board of Directors, on this 19th day of February 2025, by the following vote:

- AYES:
- NOES:
- ABSTAIN:
- ABSENT:

Mike Ti, President

ATTEST:

Jeff Hanlon, Secretary


SEAL:



BOARD INFORMATION

BOARD OF DIRECTORS
STAFF REPORT

To: TVMWD Board of Directors

From: Matthew H. Litchfield, General Manager 

Date: February 5, 2025

Subject: Legislative Update – February 2025

Funds Budgeted: \$

Fiscal Impact: \$

Staff Recommendation

No Action Necessary – Informational Item Only

Discussion

With the new biennial (two-year) legislative session well underway, the bill introduction deadline is Friday, February 21. See the attached 2025 Legislative Calendar for this and other key dates during the year.

Staff is coordinating with our lobbyist to schedule the district's annual legislative visits to the Capitol in early March. This will allow us to engage with our three new Senators and Assembly members before the legislative offices become occupied with bill hearings. It will also be an opportunity to reconnect with returning members.

Attached is the most current Legislative Status Report with a summary of bills we are watching. Most important to us is the new Brown Act Bill AB 259 (Rubio) that will eliminate the sunset date on AB 2449. We are fortunate to have the California Special Districts Association (CSDA) sponsoring this bill and Assembly Member Blanca Rubio returning as author. We have presented AB 259 at several legislative meetings within our associations, and the feedback has been overwhelmingly positive. Attached is the current fact sheet, and we are collaborating with CSDA to distribute a support letter soon.

The district is also actively supporting AB 72 (Caballero), which aims to update the California Water Plan and establish water supply and reliability targets. The bill, previously introduced as

SB 366 in 2023-24, was vetoed by the governor in 2024 due to budgetary concerns. However, the author is now working to secure funding in the new state budget.

Environmental Impact

None

Strategic Plan Objective(s)

1.5 – Advocacy

2.4 – Legislation

Attachment(s)

Exhibit A – 2025 Legislative Calendar

Exhibit B – Legislative Status Report

Exhibit C – AB 259 (Rubio) Fact Sheet

Meeting History

None

NA/KH

Arnold and Associates, Inc.

Legislative Advocates and Consultants

2025 Legislative Calendar

Jan. 1	Statutes take effect.
Jan. 6	<u>Legislature reconvenes.</u>
Jan. 10	Budget must be submitted by Governor.
Jan. 24	Last day to submit bill requests to the Office of Legislative Counsel.
Feb. 21	Last Day for bills to be introduced.
April 10	Spring Recess begins upon adjournment of session.
April 21	Legislature reconvenes from Spring Recess.
May 2	Last Day for policy committees to hear and report to fiscal committees fiscal bills introduced in their house.
May 9	Last Day for policy committees to hear and report to the floor nonfiscal bills introduced in their house.
May 16	Last Day for policy committees to meet prior to June 9 th .
May 23	Last Day for fiscal committees to hear and report to the Floor bills introduced in their house. Last day for fiscal committees to meet prior to June 9th.
June 2-6	Floor Session Only
June 6	Last Day for each house to pass bills introduced in that house.
June 9	Committee meetings may resume.
June 15	Budget Bill must be passed by midnight.
July 18	Last Day for policy committee to meet and report bills. Summer Recess begins upon adjournment of session provided Budget Bill has been passed,
Aug. 18	Legislature reconvenes from Summer Recess
Aug. 29	Last Day for fiscal committees to meet and report bills to the floor
Sept. 2-12	Floor Session Only.
Sept. 5	Last day to amend on the Floor.
Sept. 12	Last Day for each house to pass bills. Interim Study Recess begins the end of this day's session.
Oct. 12	Last Day for Governor to sign or veto bill passed by the Legislature on or before Sep. 12 th .

Phone: (916) 446-2646

1127 11th Street, Suite 820, Sacramento, CA 95814

Three Valleys Municipal Water District Legislative Status Report 1/27/2025

[AB 93](#) ([Papan D](#)) **Water resources: demands: artificial intelligence.**

Current Text: Introduced: 1/7/2025 [html](#) [pdf](#)

Introduced: 1/7/2025

Status: 1/8/2025-From printer. May be heard in committee February 7.

Location: 1/7/2025-A. PRINT

Summary:

Would express the intent of the Legislature to enact future legislation that would maintain water and energy efficiency to the extent that new technology, including, but not limited to, artificial intelligence, increases the demands on already limited resources.

Position: Watch

[AB 100](#) ([Gabriel D](#)) **Budget Act of 2025.**

Current Text: Introduced: 1/8/2025 [html](#) [pdf](#)

Introduced: 1/8/2025

Status: 1/9/2025-From printer. May be heard in committee February 8.

Location: 1/8/2025-A. PRINT

Summary:

Would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2025.

Position: Watch

[AB 227](#) ([Gabriel D](#)) **Budget Act of 2025.**

Current Text: Introduced: 1/10/2025 [html](#) [pdf](#)

Introduced: 1/10/2025

Status: 1/13/2025-Read first time.

Location: 1/10/2025-A. PRINT

Summary:

Would make appropriations for the support of state government for the 2025–26 fiscal year. This bill contains other related provisions.

Position: Watch

[AB 259](#) ([Rubio, Blanca D](#)) **Open meetings: local agencies: teleconferences.**

Current Text: Introduced: 1/16/2025 [html](#) [pdf](#)

Introduced: 1/16/2025

Status: 1/17/2025-From printer. May be heard in committee February 16.

Location: 1/16/2025-A. PRINT

Summary:

The Ralph M. Brown Act authorizes the legislative body of a local agency to use teleconferencing, as specified, and requires a legislative body of a local agency that elects to use teleconferencing to comply with specified requirements, including that the local agency post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Current law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda that is open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction, and the legislative body complies with prescribed requirements. Current law requires a member to satisfy specified requirements to participate in a meeting remotely pursuant to these alternative teleconferencing provisions, including that specified circumstances apply. Current law establishes limits on the number of meetings a member may participate in solely by teleconference from a remote location pursuant to these alternative teleconferencing provisions, including prohibiting such participation for more than 2 meetings per year if the legislative body regularly meets once per month or less. This bill would remove the January 1, 2026, date from those provisions, thereby extending the alternative teleconferencing procedures indefinitely.

Position: Support

AB 295 (Macedo R) California Environmental Quality Act: environmental leadership development projects: water storage, water conveyance, and groundwater recharge projects: streamlined review.**Current Text:** Introduced: 1/23/2025 [html](#) [pdf](#)**Introduced:** 1/23/2025**Status:** 1/24/2025-From printer. May be heard in committee February 23.**Location:** 1/23/2025-A. PRINT**Summary:**

The Jobs and Economic Improvement Through Environmental Leadership Act of 2021 authorizes the Governor, until January 1, 2032, to certify environmental leadership development projects that meet specified requirements for certain streamlining benefits related to the California Environmental Quality Act (CEQA). The act, among other things, requires a lead agency to prepare the record of proceedings for an environmental leadership development project, as provided, and to provide a specified notice within 10 days of the Governor certifying the project. The act is repealed by its own term on January 1, 2034. This bill would extend the application of the act to water storage projects, water conveyance projects, and groundwater recharge projects that provide public benefits and drought preparedness. Because a lead agency would be required to prepare the record of proceedings for water storage projects, water conveyance projects, and groundwater recharge projects pursuant to the act, this bill would impose a state-mandated local program.

Position: Watch**SB 31 (McNerney D) Water quality: water recycling facilities: state policy.****Current Text:** Introduced: 12/2/2024 [html](#) [pdf](#)**Introduced:** 12/2/2024**Status:** 12/3/2024-From printer. May be acted upon on or after January 2.**Location:** 12/2/2024-S. RLS.**Summary:**

Current law states the intention of the Legislature that the state undertake all possible steps to encourage development of water recycling facilities so that recycled water may be made available to help meet the growing water requirements of the state. This bill would make a nonsubstantive change to that statement.

Position: Watch**SB 65 (Wiener D) Budget Act of 2025.****Current Text:** Introduced: 1/10/2025 [html](#) [pdf](#)**Introduced:** 1/10/2025**Status:** 1/13/2025-Read first time.**Location:** 1/10/2025-S. BUDGET & F.R.**Summary:**

Would make appropriations for the support of state government for the 2025–26 fiscal year.

Position: Watch**SB 72 (Caballero D) The California Water Plan: long-term supply targets.****Current Text:** Introduced: 1/15/2025 [html](#) [pdf](#)**Introduced:** 1/15/2025**Status:** 1/16/2025-From printer. May be acted upon on or after February 15.**Location:** 1/15/2025-S. RLS.**Summary:**

Current law requires the Department of Water Resources to update every 5 years the plan for the orderly and coordinated control, protection, conservation, development, and use of the water resources of the state, which is known as "The California Water Plan." Current law requires the department to include a discussion of various strategies in the plan update, including, but not limited to, strategies relating to the development of new water storage facilities, water conservation, water recycling, desalination, conjunctive use, and water transfers, that may be pursued in order to meet the future needs of the state. Current law requires the department to establish an advisory committee to assist the department in updating the plan. This bill would revise and recast certain provisions regarding The California Water Plan to, among other things, require the department to expand the membership of the advisory committee to include tribes, labor, and environmental justice interests. The bill would require the department, as part of the 2033 update to the plan, to update the interim planning target for 2050, as provided. The bill would require the target to consider the identified and

future water needs for a sustainable urban sector, agricultural sector, and environment, and ensure safe drinking water for all Californians, among other things.

Position: Watch

SCR 3 (Laird D) Safe Drinking Water Act: 50th anniversary.

Current Text: Introduced: 12/2/2024 [html](#) [pdf](#)

Introduced: 12/2/2024

Status: 1/22/2025-From committee: Ordered to third reading.

Location: 1/22/2025-S. THIRD READING

Calendar:

1/27/2025 #6 SENATE SENATE BILLS -THIRD READING FILE

Summary:

Would commemorate the 50th anniversary of the Safe Drinking Water Act.

Position: Watch

Total Measures: 9

Total Tracking Forms: 9

Assembly Bill 259 (Rubio)

Sunset Elimination for Modified Brown Act Meeting Procedures

Bill Summary

[Assembly Bill 259 \(Rubio\)](#) eliminates the sunset on provisions added to the Brown Act by [Assembly Bill 2449 \(Rubio, 2022\)](#), a bill that provided additional flexibility with alternative Brown Act meeting procedures able to be observed in the event of a board member's absence in connection with a "just cause" or "emergency circumstances," allowing for those members so-affected to participate in the meeting remotely consistent with the process detailed in the bill. The provisions of AB 2449 include restrictions on how often its provisions may be invoked and require that a majority of the board be present in-person in order to constitute a quorum.

Problem

Several special districts and other local agencies have utilized the procedures established by AB 2449, successfully facilitating remote participation for legislative policymakers that would otherwise been encumbered by illness, official travel, or medical emergency. Though the terms of AB 2449 have been amended since their passage, the sunset date associated with its terms has not been changed; the alternative Brown Act meeting procedures established by the bill expire at the end of 2025.

Solution

By removing the sunset, AB 259 preserves the additional flexibility for individual board members of local agencies looking to meet remotely to continue providing the public with essential services.

Background

In support of the original legislation, AB 2449, author Assembly Member Blanca Rubio remarked that remote meetings held over the last few years "demonstrated the value of remote participation options when individuals are unable to attend a physical gathering. The Brown Act ensures that officials and their constituents can have open and transparent meetings, which we now know can occur using modern technology. [...] AB 2449 would

provide an avenue for constituents to interact with their representatives in situations where they might have not previously been able to."

AB 2449 followed other legislation like [Assembly Bill 361 \(R. Rivas, 2021\)](#) related to the Brown Act. However, while bills like AB 361 were concerned with entire agencies and disaster emergency scenarios posing a threat to the general health and welfare of all attendees, AB 2449 is more limited in scope. AB 2449 is applicable to individual board members – rather than the entire agency – and is concerned with the specific "just cause" and "emergency circumstances" enumerated within the bill.

Support

- California Special Districts Association
- Three Valleys Municipal Water District
- Various local government associations
- Various counties, cities, special districts, and other local agencies

For More Information

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