

MINUTES
REGULAR BOARD OF DIRECTORS MEETING
THREE VALLEYS MUNICIPAL WATER DISTRICT

Wednesday, October 2, 2019
8:00 a.m.

1. Call to Order

The Board meeting was called to order at 8:00 a.m. at the District office located at 1021 East Miramar Avenue, Claremont, California. The presiding officer was President Bob Kuhn.

2. Pledge of Allegiance

The flag salute was led by President Bob Kuhn.

3. Roll Call

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

Directors Present

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

Staff Present

Matt Litchfield, General Manager
Steve Kennedy, Legal Counsel
Nadia Aguirre, Executive Assistant
Liz Cohn, Senior Financial Analyst
Ray Evangelista, Engineering Assistant
Karen Harberson, Compliance Specialist
Kirk Howie, Chief Administrative Officer
Tim Kellett, Chief Water Resources Officer
Steve Lang, Chief Operations Officer
James Linthicum, Chief Finance Officer
Robert Peng, I.T. Manager
Ben Peralta, Project Manager

Guests present: Ted Ebenkamp, Walnut Valley Water District; Ed Hilden, Walnut Valley Water District; Erik Hitchman, Walnut Valley Water District; Tom Coleman, Rowland Water District; Tony Lima, Rowland Water District; Dave Warren, Rowland Water District; Ben Lewis, Golden State Water Company; Jennifer Stark, City of Claremont; Darron Poulsen, City of Pomona; Kelly Gardner, Main San Gabriel Basin Watermaster; Michael Arnold, Arnold & Associates, Inc.; Kristi Foy, Arnold & Associates, Inc.; Bryan Gruber, LSL CPA's; Joan Licari, Sierra Club.

4. Additions to Agenda

No additions to the agenda were requested.

5. Reorder Agenda

No reorder to the agenda was requested.

6. Public Comment

President Kuhn called for public comment. Dr. Joan Licari, Chair of the Sierra Club San Gabriel Valley Task Force, approached the lectern. The Sierra Club supports SB 307 signed by Governor Newsom. Dr. Licari opposes the Cadiz project and urges TVMWD to oppose the project.

7. Presentations

Mr. Michael Thomas of Pomona Valley America's Job Center, Mr. John Maltes of Bassett Adult School and Mr. Enrique Medina of Pomona Unified School District, gave a presentation on training opportunities in the water industry. Mr. Maltes advised that water distribution and water treatment courses are held at Bassett Adult School to prepare students for the state exam. Fifty percent of students are water district employees and the other fifty percent are trying to get in the water industry. The program aims to place students at water agencies. Mr. Medina is working on establishing a career pathway in water distribution and water treatment for 11th and 12th grade high school students. The program needs instructors and an accessible location for students.

President Kuhn asked for a meeting between Mr. Thomas, Mr. Maltes, Mr. Medina and staff to further discuss collaboration.

Mr. Mike Arnold and Ms. Kristi Foy, the Districts legislative lobbyists, updated the board on year end legislative activities. The 2019-20 legislative session is in the second year. Any bills not on Governor Newsom's desk by the end of this session officially become a two-year bill and will pick up in January 2020. The legislative session ended on September 13, 2019. The final report will be made available after October 13, 2019.

Governor Newsom proposed a water tax that would also have an impact on dairy and agriculture; however, an alternative was pushed for. As part of the final budget agreement \$130 million was designated for safe and affordable drinking water in disadvantaged communities. \$100 million is being funded from the Greenhouse Gas Reduction Fund and \$30 million from the state's General Fund. Finally, SB 200 passed and is funded until 2030.

Over 75 bills were tracked, with support on 8 bills, 3 of those being on the water fund. 8 bills were opposed and 4 of those bills were stopped.

8. General Manager's Report

8.A – FY 18-19 Audit and CAFR (Comprehensive Annual Financial Report)

The Board was asked to receive, approve and file the FY 2018-19 Audit and CAFR. Mr. Bryan Gruber of LSL CPA's presented the annual financial statement audit. The audit process was completed in August 2019 with the result of an unmodified opinion. The districts internal controls policies and procedures were reviewed and there were no instances of material weaknesses or significant deficiencies.

Upon motion and second, President Kuhn called for discussion. There being no discussion, President Kuhn called for the vote.

Moved: Joe Ruzicka Second: David De Jesus
Motion No. 19-10-5243 – Approval of FY 18-19 Audit and CAFR
Motion passed by a 7-0 unanimous vote.

8.B – FY 18-19 Final Reserves Schedule

Mr. James Linthicum presented the FY 18-19 final reserves schedule. It is proposed to return \$3,713 to the capital asset reserves fund. There were eight projects that were not completed during the fiscal year and budget funds left over. It is proposed to carryforward \$2,276,692 to continue the projects and complete them during the current fiscal year. The final proposal is to place excess funds of \$213,436 into the general reserves fund.

Upon motion and second, President Kuhn called for discussion. There being no discussion, President Kuhn called for the vote.

Moved: Joe Ruzicka Second: Brian Bowcock
Motion No. 19-10-5244 – Approval of FY 18-19 Final Reserves Schedule
Motion passed by a 7-0 unanimous vote.

8.C – Chino Basin Watermaster 2020 Optimum Basin Management Program Update (OBMPU) Progress Report, August 2019

Mr. Litchfield provided an update on the Chino Basin Watermaster 2020 OBMP. Listening Session #6 was held on September 11, 2019. Listening Sessions 7 and 8 will be held at a future date. The CEQA process will begin in early 2020 with completion by June 2020. OBMP updates will continue on a monthly basis as an informational item.

8.D – Non-Binding Letter of Intent with Metropolitan Water District of Southern California - Regional Recycled Water Project

Mr. Litchfield reported on a non-binding letter of intent with MWD regarding the regional recycled water project, otherwise known as the Carson Project. This will lead to MWD asking to enter into a future Memorandum of Understanding for participation

and collaboration on an advanced water treatment facility. The letter of intent is being worked on between TVMWD and MWD and will be brought back to the board upon completion.

8.E – Resolution No. 19-10-DRAFT Records Retention Schedule and Policy Update

The records retention schedule and policy were previously updated in April 2006. Changes have since taken place at the state level that require the district to update the schedule and policy. Legal counsel reviewed the draft retention schedule that was updated by staff and wrote the resolution and policy.

This item will be brought back to the October 16, 2019 Board meeting for consideration of approval.

8.F – Geographic Information Systems (GIS) Project Update

Mr. Robert Peng provided an update on the Geographic Information System implemented in June 2019. The system improves capabilities to access information, improve asset management capabilities and improve operational efficiencies. Currently the district is in the final stage of implementation which is support and maintenance. Mr. Peng gave an overview of Geo Viewer modules that are presently deployed: Field Redlining of Assets; View Images as Assets, Plants, and As-Builts; Underground Service Alert (USA) DigAlert Module; Valve Exercise Module; and Daily Meter and Hydro Reads. Future GIS initiatives include internal business discovery meetings, data quality improvements, fully supported monthly sales and consumption reporting, valve exercising machine integration, maintenance work orders and financial system integration.

Board members had questions for Mr. Peng and thanked him for his work on this project.

8.G – Proposed Service Connection Applications for PM-27 and PM-29

Mr. Timothy Kellett informed the board of a proposed service connection application with MWD for PM-27 and PM-29 along the Rialto Pipeline. Proposed service connection PM-27 would provide the district with an alternative option to meet obligations in the Main San Gabriel Basin. Service connection PM-29 would deliver water into Thompson creek and the Central Basin, thus allowing the Puente Basin Water Agency (PBWA) to deliver additional groundwater recharge. TVMWD is working with MWD on an engineering report that will be done by MWD per their Administrative Code and will provide the project costs. There will be two costs for the project: the investigation and the actual project. The district is currently waiting for MWD to provide an official letter. The cost per connection is \$41,000, a total of \$82,000 for both investigations. TVMWD and PBWA will equally share the cost of the review.

Discussion regarding the details of the project ensued. Following discussion, staff was directed to return this item to a future board meeting.

8.H – MWD Solar Cup Update

Mr. Kirk Howie provided an update on the MWD Solar Cup program coming up on November 2, 2019. TVMWD received an allocation of four high schools to sponsor. On September 12, schools were blindly drawn with the following being sponsored by TVMWD: San Dimas, Pomona, Nogales and Village Academy. Member agencies will also be assisting with their local schools. MWD has provided a timeline for schools to adhere to. The district will serve as the host site for all boat building and technical workshops.

9. Closed Session

The Board convened into closed session at 10:02 a.m. to discuss the following items:

- Conference with Real Property Negotiators (Government Code Section 54956.8). Property: 1500 N. College Avenue, Claremont, California [District is considering purchase of a small portion (10,000 sq. ft.) of this parcel]. District Negotiator: Matthew Litchfield, General Manager. Negotiating Parties: Rancho Santa Ana Botanic Garden. Under Negotiation: Price and terms of payment.
- Conference with Legal Counsel – Anticipated Litigation. Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2). One potential case.

The Board reconvened to regular session at 10:47 a.m. No reportable action was taken during closed session.

10. Future Agenda Items

None.

11. Adjournment

The Board adjourned at 10:47 a.m. to its next regular Board meeting scheduled for Wednesday, October 16, 2019 at 8:00 a.m.



Recorded by: Nadia Aguirre
Executive Assistant



Bob Kuhn
President, Board of Directors
Three Valleys Municipal Water District