

MINUTES
REGULAR BOARD OF DIRECTORS MEETING
THREE VALLEYS MUNICIPAL WATER DISTRICT

Wednesday, January 3, 2018
8:00 a.m.

1. Call to Order

The Board of Directors meeting of Three Valleys Municipal Water District (TVMWD) was called to order at 8:00 am at the TVMWD office located at 1021 East Miramar Avenue, Claremont, California. The presiding officer was Vice President David De Jesus.

2. Pledge of Allegiance

The flag salute was led by Vice President David De Jesus.

3. Roll Call

Roll call was taken with a quorum of the Board present. Directors Bowcock and Kuhn were not present at roll call and arrived at the dais at 8:04 am, at which time President Kuhn assumed his role as presiding officer.

Directors Present

Bob Kuhn, President (ar. 8:04 am)
David De Jesus, Vice President
Brian Bowcock, Secretary (ar. 8:04 am)
Joe Ruzicka, Treasurer
Dan Horan, Director
Carlos Goytia, Director
John Mendoza, Director

Staff Present

Rick Hansen, General Manager
Steve Kennedy, Legal Counsel
Liz Cohn, Senior Financial Analyst
Ray Evangelista, Engineer
Mario Garcia, Manager Engineering & Operations
Kirk Howie, Assistant GM-Administration
James Linthicum, Chief Finance Officer
Ben Peralta, Project Engineer
Esther Romero, Accounting Technician

Directors Absent

None

Guests and others present: Tom Coleman, Rowland Water District; Paul DiMaggio, Suburban Water Systems; Director Ted Ebenkamp, Walnut Valley Water District; Director Ed Hilden, Walnut Valley Water District; Erik Hitchman, Walnut Valley Water District; Maria Elena Kennedy, Kennedy Communications; Ben Lewis, Golden State Water Company; Director Tony Lima, Rowland Water District; Steve Patton, City of Glendora; Lee Patajo, Liebert, Cassidy Whitmore; Darron Poulsen, City of Pomona; Jayson Schmitt, Chandler Asset Management; Brian Teuber, Walnut Valley Water District; Dave Warren, Rowland Water District

4. Additions to Agenda

President Kuhn inquired if there was a need to add items to the agenda. Staff did not have a need to add items to the published agenda.

5. Reorder Agenda

President Kuhn inquired if there was a need to reorder the agenda. Staff did not have a need to reorder the published agenda.

6. Public Comment

President Kuhn called for any public comment. There were no requests for public comment.

7. General Manager's Report

7.A Finance-Personnel

7.A.1 Investment Manager's Role and Statement Overview

Mr. Linthicum introduced Jayson Schmitt, Investment Manager for Chandler Asset Management; Chandler Asset Management has been providing investment services to TVMWD since 2009. Mr. Schmitt provided a comprehensive review of the statement for period ending November 2017. The Board was provided a review of the role of the investment manager, and how they work and collaborate with staff concerning TVMWD investments in compliance with its investment policy, which complies with California Government Code and California Municipal Treasurers Investment Policy Certification Program.

7.B Administration

7.B.1 ACWA-JPIA Risk Management Update

The Board was provided with its annual risk management update. For more than 25 years TVMWD has not experienced a property loss. The District was awarded the President's Special Recognition Award for Liability, Property and Worker's Compensation. This has once again resulted in ACWA-JPIA providing premium discounts to TVMWD for CY 2017 in an amount greater than \$40,000.

Staff was asked to research opportunities for premium savings for medical costs by forming a smaller, independent group for medical coverage that are available because of the new tax laws.

7.B.2 Succession Planning Update

General Manager Hansen provided the Board with a succession planning update that included a revised Interim Organizational Chart for consideration by the Board during the General Manager transition over the next 12-18 months. The following changes were noted:

- Add a temporary Assistant General Manager position
- Change of title, Assistant General Manager-Administration to Chief Administrative Officer
- Change of title, Manager of Engineering & Operations to Chief Engineer/Operations Officer
- Change of title, Operations Water Quality Assistant to Compliance Specialist

TVMWD will initiate a recruitment to fill the temporary Assistant General Manager Position. Once selected the Assistant General Manager will shadow the General Manager and be trained to succeed the current manager after the planned transition. The Board will have full purview over the transition and final decision-making for the General Manager successor.

Discussion ensued regarding whether the proposed Assistant General Manager position was budgeted in the current fiscal year. Mr. Hansen advised that the proposed Assistant General Manager position is not budgeted in the current fiscal

year, and it is expected that approximately two months will be paid from reserves for this fiscal year. The position will be budgeted for the FY 2018-19.

Following the staff report President Kuhn called for a motion and second to adopt the interim organizational chart. There being no further discussion the vote was recorded as follows:

Moved: Ruzicka; Second: Goytia
Motion No. 18-01-5160 – approving the succession planning update and interim organizational chart. The motion passed by a 7-0 unanimous vote.

7.C Engineering and Operations

7.C.1 Carport Replacement, Project No. 58434 – Bid Review

Chief Engineer/Operations Officer Mario Garcia provided a report to the Board concerning the staff recommendations for this project. Approximately 16 contractors participated in the mandatory pre-bid meeting, and two bids were submitted, both of which were significantly higher than the engineer's estimate. Staff is recommending that this project be abandoned as it is presently designed and rejecting all bids. The intent is to return to the consultant to re-evaluate the specifications for the proposed project and reopen the notice inviting bids at a future date. Discussion ensued regarding the existing design, sustainability of existing carports and proposed future design options. Staff was directed to return this item to the Board for action at its next meeting to reject all bids.

7.C.2 Reservoir Effluent Pump Station, Project No. 58459 – Bid Review

Chief Engineer/Operations Officer Mario Garcia provided a report to the Board concerning the staff recommendations for this project. Nine bids were received for this project ranging from \$257,000-\$571,275. The lowest apparent bidder did not submit the addendum with its bid and staff is recommending that this bidder be listed as non-responsive, and that the Board consider awarding to the second lowest bidder, Pyramid Building and Engineering at an amount of \$257,935. Mr. Hansen informed that a budget amendment in the amount of \$94,000 will be recommended to complete this project. Following discussion, staff was directed to return this item to the Board for action at its next meeting under consent calendar.

7.C.3 Project Summary Update

The Board was provided with an update of ongoing projects at the District including a photographic presentation of progress. The full report was included as part of the agenda packet and is available upon request. Discussion ensued and questions from the Directors were responded to on specific projects. President Kuhn extended his appreciation to Ben Peralta for his comprehensive reporting on projects. Director Mendoza commended staff for their efforts in addressing noise abatement issues with surrounding residents on the proposed Grand Avenue Well project.

President Kuhn called on audience member Maria Elena Kennedy, to provide a brief update of monies that have been secured for water-related projects within the state of California, and potential funding for projects in disadvantaged communities that exist within the Three Valleys MWD service area.

8. Special Workshop – Liebert Cassidy Whitmore

President Kuhn called for a brief recess and invited any audience members to stay for the special workshop to be provided by Liebert Cassidy Whitmore. The special workshop commenced at 9:30 am.

Staff introduced Lee Patajo of Liebert Cassidy Whitmore to present on several topics related to public service as follows:

- Public Services: Understanding Your Roles and Responsibilities
- Harassment
- Public Perception of Public Sector Employees

The presentation was a hybrid of the statutorily required biennial training relative to preventing workplace harassment, and included real life examples. This training was requested to illustrate TVMWD's efforts to remain transparent and to go above and beyond what is required by statutory requirements under AB 1825 and AB 1661.

9. Future Agenda Items

There were no requests for additional future agenda items. Items 7.C.1 Carport Replacement, Project No. 58434 and 7.C.2 Reservoir Effluent Pump Station Project No. 58459 will be placed on the next agenda for action by the Board.

10. Adjournment

The meeting was adjourned at 11:40 am to its next meeting scheduled for Wednesday, January 17, 2018.

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

Transcribed from recording by:
Victoria A. Hahn
District Clerk/Executive Assistant