

As a matter of proper business decorum, the Board of Directors respectfully request that all cell phones be turned off or placed on vibrate. To prevent any potential distraction of the proceeding, we request that side conversations be taken outside the meeting room.

**AGENDA**  
**REGULAR BOARD MEETING**  
**THREE VALLEYS MUNICIPAL WATER DISTRICT**  
**1021 E. MIRAMAR AVENUE, CLAREMONT, CA 91711**

**Wednesday, May 1, 2019**  
**8:00 a.m.**

*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.*

**Item 1 – Call to Order** Kuhn

**Item 2 – Pledge of Allegiance** Kuhn

**Item 3 – Roll Call** Executive Assistant

**Item 4 – Additions to Agenda** [Government Code Section 54954.2(b)(2)] Kuhn

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.*

**Item 5 – Reorder Agenda** Kuhn

**Item 6 – Public Comment** (Government Code Section 54954.3) Kuhn

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

**Item 7 – General Manager's Report** Litchfield

*The Executive Leadership Team will provide brief updates on existing matters under their purview and will be available to respond to any questions thereof.*

**7.A – Government Finance Officers Association Award [enc]** Linthicum

TVMWD has been awarded the GFOA Certificate of Achievement for Excellence in Financial Reporting for its comprehensive annual financial report for FYE 2018. This is the twelfth consecutive year TVMWD has been recognized.

**7.B – 2019 Organizational Chart and Salary Schedules Modifications [enc]**

Litchfield

The Board will review the following items:

- Proposed modifications to the Organizational Chart.
- Proposed modifications to the Salary Schedule effective May 1, 2019.
- Proposed modifications to the Salary Schedule effective July 1, 2019.

**7.C Resolution No. 19-05-849 FY 2019-20 Water Standby Charge Initiate Procedures [enc]**

Cohn

The Board will consider for approval Resolution No. 19-05-849 to initiate procedures for the FY 2019-20 Water Standby Charge.

**Item 7.C - Board Action Required – Motion No. 19-05-5226**

Staff Recommendation: Approve as presented.

**7.D – Resolution No. 19-05-850 Employee Bonus [enc]**

Litchfield

The Board will review Resolution No. 19-05-850 authorizing a one-time discretionary bonus to staff members for their constant diligence in maintaining low loss claims on liability, workers compensation and property in a total sum not to exceed the amount of the recent award distribution from ACWA-JPIA for preserving such low loss claims. As a result, this discretionary bonus will not impact the current budget.

**Item 8 – Directors’ / General Manager’s Oral Reports**

Litchfield

Directors and the Managers 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.

**Item 9 – Closed Session**

Kuhn

Conference with Legal Counsel – Existing Litigation [Government Code Section 54956.9(d)(1)]

- Chino Basin Municipal Water District v. City of Chino, et al., San Bernardino County Superior Court Case No. RCV51010
- Upper San Gabriel Valley Municipal Water District v. City of Alhambra, et al., Los Angeles County Superior Court Case No. C924128

Public Employee Performance Evaluation  
(Government Code Section 54957  
Title: General Manager

**Item 10 – Future Agenda Items**

Kuhn

**Item 11 – Adjournment and Next Meeting**

Kuhn

Wednesday, May 15, 2019 at 8:00 a.m.

## **American Disabilities Act Compliance Statement**

*Government Code Section 54954.2(a)*



*Any request for disability-related modifications or accommodations (including auxiliary aids or services) sought to participate in the above public meeting should be directed to the TVMWD's Executive Assistant at (909) 621-5568 at least 24 hours prior to meeting.*

### **Agenda items received after posting**

*Government Code Section 54957.5*

*Materials related to an item on this agenda submitted after distribution of the agenda packet are available for public review at the TVMWD office located at, 1021 East Miramar Avenue, Claremont, CA, 91711. The materials will also be posted on the TVMWD website at [www.threevalleys.com](http://www.threevalleys.com).*

*Three Valleys MWD Board Meeting packets and agendas are available for review on its website at [www.threevalleys.com](http://www.threevalleys.com).*



## Board of Directors Staff Report

**To:** TVMWD Board of Directors  
**From:** Matthew H. Litchfield, General Manager   
**Date:** May 1, 2019  
**Subject:** **Government Finance Officers Association Award**

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<input type="checkbox"/> <b>For Action</b>	<input type="checkbox"/> <b>Fiscal Impact</b>	<b>\$</b>
<input checked="" type="checkbox"/> <b>Information Only</b>	<input type="checkbox"/> <b>Funds Budgeted:</b>	

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**Staff Recommendation:**

**No Action Necessary – Informational Item Only**

**Discussion:**

Staff is pleased to announce TVMWD has been awarded the *Certificate of Achievement for Excellence in Financial Reporting* presented by the Government Finance Officers Association of the United States and Canada (GFOA) for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018. This is the twelfth consecutive year TVMWD has received this award.

This certificate is awarded to government units whose CAFR achieves the highest standards in governmental accounting and financial reporting. Receiving this award demonstrates TVMWD's continued commitment to transparency and full disclosure in our financial reporting.

**Strategic Plan Objective(s):**

- 3.1 – Utilize and comply with a set of financial policies to maintain TVMWD's financial health
- 3.3 – Be accountable and transparent with major decisions

**Attachment(s):**

Exhibit A – CAFR Award

**Meeting History:**

None

NA/JL



**Government Finance Officers Association**  
203 North LaSalle Street, Suite 2700  
Chicago, Illinois 60601-1210  
312.977.9700 fax: 312.977.4806

April 4, 2019

James Linthicum, CPA  
Chief Finance Officer  
Three Valleys Municipal Water District  
1021 East Miramar Avenue  
Claremont, CA 91711

Dear Mr. Linthicum:

We are pleased to notify you that your 2018 fiscal year end comprehensive annual financial report (CAFR) qualifies for GFOA's Certificate of Achievement for Excellence in Financial Reporting. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment. Congratulations for having satisfied the high standards of the program. We hope that your example will encourage others in their efforts to achieve and maintain an appropriate standard of excellence in financial reporting.

A "Summary of Grading" form and a confidential list of comments and suggestions for possible improvements are enclosed. We want to strongly encourage the recommended improvements be made in the next report, and that the report be submitted to the program within six months of your next fiscal year end. Certificate of Achievement Program policy requires that written responses to the comments and suggestions for improvement accompany the next fiscal year's submission. The written responses should provide details about how each item is addressed within this report. These responses will be provided to those Special Review Committee members participating in the review. If a comment is unclear or there appears to be a discrepancy, please contact the Technical Services Center at (312) 977-9700 and ask to speak with a Certificate of Achievement Program in-house reviewer.

When a Certificate of Achievement for Excellence in Financial Reporting is awarded to a government, an Award of Financial Reporting Achievement (AFRA) is also presented to the individual(s) or department designated by the government as primarily responsible for its having earned the Certificate. An AFRA is enclosed for the preparer as designated on the application.

Continuing participants will find a brass medallion enclosed with these results. First-time recipients will receive a plaque in about 10 weeks. We hope that appropriate publicity will be given to this notable achievement. A sample news release has been enclosed.

## Item 7.A1 - Exhibit A

A current holder of a Certificate of Achievement may include a reproduction of the Certificate in its immediately subsequent CAFR. A camera-ready copy of your Certificate is enclosed for that purpose. If you reproduce your Certificate in your next report, please refer to the enclosed instructions. A Certificate of Achievement is valid for a period of one year.

Over the course of the year, we are anticipating some changes to our application process. We will still be asking governments for the same documents we asked for in the past, but we are encouraging electronic submissions to [cafrprogram@gfoa.org](mailto:cafrprogram@gfoa.org) and expect to be making other changes going forward. We will keep members informed of any changes via email, and application instructions will be updated on our website.

Your continued interest in and support of the Certificate of Achievement Program is most appreciated. If we may be of any further assistance, please contact the Technical Services Center at (312) 977-9700.

Sincerely,

A handwritten signature in cursive script that reads "Michele Mark Levine".

Michele Mark Levine  
Director, Technical Services Center



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Three Valleys Municipal Water District  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morill*

Executive Director/CEO



**The Government Finance Officers Association  
of the United States and Canada**

*presents this*

# **AWARD OF FINANCIAL REPORTING ACHIEVEMENT**

*to*

**James Linthicum, CPA**

Chief Finance Officer

Three Valleys Municipal Water District, California



*The award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the individual(s) designated as instrumental in their government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.*

Executive Director

*Christopher P. Morill*

Date April 4, 2019



GOVERNMENT FINANCE OFFICERS ASSOCIATION  
**NEWS RELEASE**

**FOR IMMEDIATE RELEASE**

04/04/2019

**For more information contact:**

**Michele Mark Levine, Director/TSC**

**Phone: (312) 977-9700**

**Fax: (312) 977-4806**

**E-mail: [mlevine@gfoa.org](mailto:mlevine@gfoa.org)**

(Chicago, Illinois)--The Certificate of Achievement for Excellence in Financial Reporting has been awarded to **Three Valleys Municipal Water District** by Government Finance Officers Association of the United States and Canada (GFOA) for its comprehensive annual financial report (CAFR). The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

An Award of Financial Reporting Achievement has been awarded to the individual(s) or department designated by the government as primarily responsible for preparing the award-winning CAFR.

The CAFR has been judged by an impartial panel to meet the high standards of the program, which includes demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the CAFR.

*Government Finance Officers Association is a major professional association servicing the needs of over 20,000 appointed and elected local, state, and provincial-level government officials and other finance practitioners. It provides top quality publications, training programs, services, and products designed to enhance the skills and performance of those responsible for government finance policy and management. The association is headquartered in Chicago, Illinois, with offices in Washington, D.C.*



## Board of Directors Staff Report

**To:** TVMWD Board of Directors

**From:** Matthew H. Litchfield, General Manager 

**Date:** May 1, 2019

**Subject:** **Organizational Chart and Salary Schedules Modifications**

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<input type="checkbox"/> <b>For Action</b>	<input checked="" type="checkbox"/> <b>Fiscal Impact</b>	<b>\$ 51,334.00</b>
<input checked="" type="checkbox"/> <b>Information Only</b>	<input type="checkbox"/> <b>Funds Budgeted:</b>	

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**Staff Recommendation:**

**No Action Necessary – Informational Item Only**

**Background:**

Pursuant to CalPERS and California Code of Regulations Section 570.5, salary schedule changes must be approved and adopted by the employer's governing body according to the requirements of applicable public meeting laws.

**Discussion:**

Attached are the updated organizational chart and salary schedules reflecting the following changes:

- Reclassification of the *Administrative Assistant to Administrative/Communications Assistant* and change in salary range
- Change in title (only) of the *Engineer to Engineering Assistant*
- Addition of the part-time *Human Resources/Risk Manager* position
- Addition of the *Information Technology Manager* position

These changes are the result of the recently completed organizational study by staff with the assistance of a consultant and oversight and guidance provided by the ad-hoc personnel committee appointed by the Board. To comply with CalPERS and California Code of Regulations Section 570.5, the two salary schedules are required to be approved in order to incorporate the organizational changes. The first salary schedule will incorporate the organizational changes effective May 15, 2019. The second salary schedule, effective July 1, 2019, reflects all position changes and the Consumer Price Index (CPI) increase adopted in the FY 2019-20 budget.

**Strategic Plan Objective(s):**

2.4 – Evaluate short-term and long-term workforce needs to achieve optimal efficiency and cost effectiveness without sacrificing employee morale or productivity

3.3 – Be accountable and transparent with major decisions

**Attachment(s):**

Exhibit A – Organizational Chart Effective May 15, 2019

Exhibit B – Salary Schedule Effective May 15, 2019

Exhibit C – Salary Schedule Effective July 1, 2019

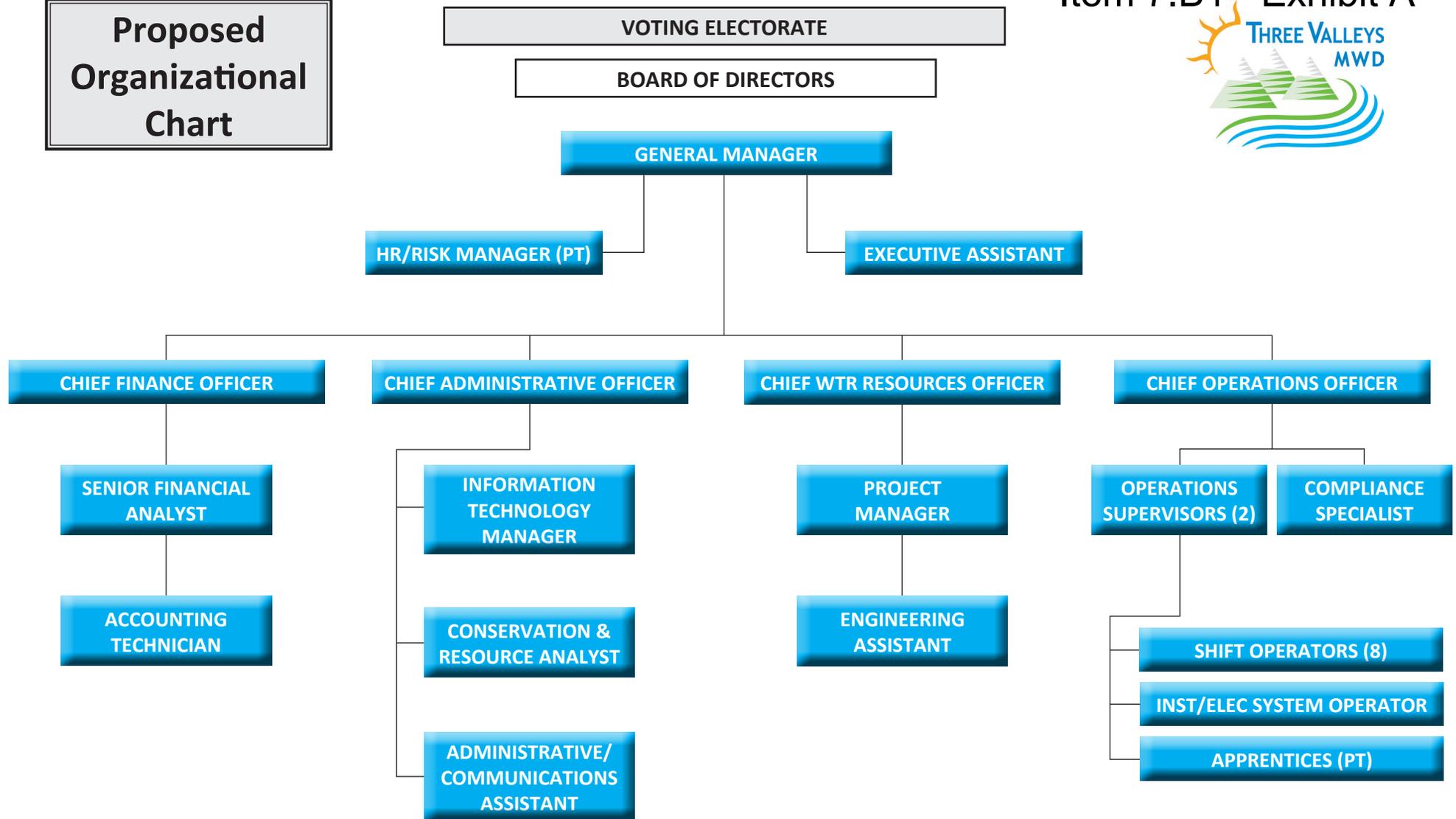
**Meeting History:**

None

NA/ML



**Proposed  
Organizational  
Chart**



Matthew Litchfield, P.E.  
General Manager

May 15, 2019  
Date

FTE **25**

# Item 7.B2 - Exhibit B

## THREE VALLEYS MUNICIPAL WATER DISTRICT ANNUAL SALARY RANGE BY CLASSIFICATION

Effective: May 15, 2019

CLASSIFICATION	Miniumum Salary Range	Maximum Salary Range
ACCOUNTING TECHNICIAN	\$ 48,127	\$ 77,003
ADMINISTRATIVE/COMMUNICATIONS ASSISTANT	\$ 46,707	\$ 74,731
CHIEF ADMINISTRATIVE OFFICER	\$ 135,235	\$ 216,376
CHIEF FINANCE OFFICER	\$ 135,235	\$ 216,376
CHIEF OPERATIONS OFFICER	\$ 135,235	\$ 216,376
CHIEF WATER RESOURCES OFFICER	\$ 135,235	\$ 216,376
COMPLIANCE SPECIALIST	\$ 63,112	\$ 100,980
CONSERVATION & RESOURCE ANALYST	\$ 74,503	\$ 119,205
ENGINEERING ASSISTANT	\$ 75,117	\$ 120,187
EXECUTIVE ASSISTANT	\$ 55,419	\$ 88,671
GENERAL MANAGER	\$ 220,000	\$ 275,000
HUMAN RESOURCES/RISK MANAGER (PT)	\$ 36,342	\$ 44,529
INFORMATION TECHNOLOGY MANAGER	\$ 104,410	\$ 167,056
INSTRUMENTATION/ELECTRICAL SYSTEM OPERATOR	\$ 67,234	\$ 107,575
OPERATIONS SUPERVISOR	\$ 79,519	\$ 127,231
PLANT ASSISTANT	\$ 38,678	\$ 61,884
PROJECT MANAGER	\$ 98,622	\$ 157,795
SENIOR FINANCIAL ANALYST	\$ 74,317	\$ 118,908
SHIFT OPERATOR II	\$ 47,603	\$ 76,164
SHIFT OPERATOR III	\$ 58,588	\$ 93,740
SHIFT OPERATOR IV	\$ 64,648	\$ 103,437
SHIFT OPERATOR V	\$ 67,234	\$ 107,575

Based on Board approval, an adjustment to each salary range classification will be considered for July 1 of each year. Range adjustments are tied to changes in the Consumer Price Index - Urban Wage Earners and Clerical Workers for Los Angeles-Long Beach-Anaheim as prepared by the Bureau of Labor Statistics, from current year annual to the prior year annual. The adjustment to each salary range is intended to keep TVMWD's salary ranges at the market level and may not necessarily impact individual salaries. The opportunity for individual salary increases will continue under the merit-based system employed by TVMWD. An important note is that an employee's annual salary may be below the minimum salary range if: (1) their annual evaluation has not yet occurred in the current fiscal year or (2) their performance documented in prior annual evaluations has not merited an increase that has kept up with index adjustments to the salary ranges.

### **Shift Differential Pay**

- Operators and plant assistants who work on Friday, Saturday or Sunday will be compensated with 10% additional pay for those hours.
- Shift differential pay is considered special compensation and will be reported to CalPERS as such.

### **On-Call Pay**

- Standby operators who serve as the on-call standby operator each evening will be paid \$35 per day (\$70 on holidays).
- Laptop operators who serve as the on-call plant operator each evening will be paid \$90 per day (\$180 on holidays).
- In addition to receiving the on-call pay noted above, the on-call operators will be paid for the additional time spent responding to situations.
  - If responding by phone/tablet/laptop only, the on-call operator will be guaranteed at least 15 minutes of additional pay. All time over 15 minutes will be rounded up to the nearest 15 minute increment.
  - If responding in person, the on-call operator will be guaranteed at least two hours of additional pay. All time over two hours (portal to portal) will be rounded up to the nearest 15 minute increment.
  - Operators will be eligible for OT and shift differential pay as applicable for time spent responding.
- On-call pay is not considered special compensation and thus will not be included as a part of final compensation in calculating CalPERS pension.

### **Holiday Pay**

- Any employee scheduled who works on either the actual holiday or the observed holiday will be paid at one and one-half times the employee's regular rate of pay. Since the employee is working the holiday, the employee will also be paid an additional eight hours at regular pay for that holiday.

# Item 7.B3 - Exhibit C (Revised)

## THREE VALLEYS MUNICIPAL WATER DISTRICT ANNUAL SALARY RANGE BY CLASSIFICATION

\*\*\*REVISED\*\*\*

Effective: July 1, 2019

CLASSIFICATION	Miniumum Salary Range	Maximum Salary Range
ACCOUNTING TECHNICIAN	\$ 50,018	\$ 80,029
ADMINISTRATIVE/COMMUNICATIONS ASSISTANT	\$ 48,542	\$ 77,667
CHIEF ADMINISTRATIVE OFFICER	\$ 140,549	\$ 224,878
CHIEF FINANCE OFFICER	\$ 140,549	\$ 224,878
CHIEF OPERATIONS OFFICER	\$ 140,549	\$ 224,878
CHIEF WATER RESOURCES OFFICER	\$ 140,549	\$ 224,878
COMPLIANCE SPECIALIST	\$ 65,592	\$ 104,947
CONSERVATION & RESOURCE ANALYST	\$ 77,430	\$ 123,889
ENGINEERING ASSISTANT	\$ 78,068	\$ 124,910
EXECUTIVE ASSISTANT	\$ 57,596	\$ 92,154
GENERAL MANAGER	\$ 220,000	\$ 275,000
HUMAN RESOURCES/RISK MANAGER (PT)	\$ 37,770	\$ 60,432
INFORMATION TECHNOLOGY MANAGER	\$ 108,512	\$ 173,620
INSTRUMENTATION/ELECTRICAL SYSTEM OPERATOR	\$ 69,876	\$ 111,801
OPERATIONS SUPERVISOR	\$ 82,643	\$ 132,229
PLANT ASSISTANT	\$ 40,198	\$ 64,316
PROJECT MANAGER	\$ 102,497	\$ 163,995
SENIOR FINANCIAL ANALYST	\$ 77,237	\$ 123,579
SHIFT OPERATOR II	\$ 49,473	\$ 79,157
SHIFT OPERATOR III	\$ 60,890	\$ 97,424
SHIFT OPERATOR IV	\$ 67,188	\$ 107,501
SHIFT OPERATOR V	\$ 69,876	\$ 111,801

Based on Board approval, an adjustment to each salary range classification will be considered for July 1 of each year. Range adjustments are tied to changes in the Consumer Price Index - Urban Wage Earners and Clerical Workers for Los Angeles-Long Beach-Anaheim as prepared by the Bureau of Labor Statistics, from current year annual to the prior year annual. The adjustment to each salary range is intended to keep TVMWD's salary ranges at the market level and may not necessarily impact individual salaries. The opportunity for individual salary increases will continue under the merit-based system employed by TVMWD. An important note is that an employee's annual salary may be below the minimum salary range if: (1) their annual evaluation has not yet occurred in the current fiscal year or (2) their performance documented in prior annual evaluations has not merited an increase that has kept up with index adjustments to the salary ranges.

### **Shift Differential Pay**

- Operators and plant assistants who work on Friday, Saturday or Sunday will be compensated with 10% additional pay for those hours.
- Shift differential pay is considered special compensation and will be reported to CalPERS as such.

### **Standby Pay**

- Standby operators who serve as the on-call standby operator each evening will be paid \$35 per day (\$70 on holidays).
- Laptop operators who serve as the on-call plant operator each evening will be paid \$90 per day (\$180 on holidays).
- In addition to receiving the on-call pay noted above, the on-call operators will be paid for the additional time spent responding to situations.
  - If responding by phone/tablet/laptop only, the on-call operator will be guaranteed at least 15 minutes of additional pay. All time over 15 minutes will be rounded up to the nearest 15 minute increment.
  - If responding in person, the on-call operator will be guaranteed at least two hours of additional pay. All time over two hours (portal to portal) will be rounded up to the nearest 15 minute increment.
  - Operators will be eligible for OT and shift differential pay as applicable for time spent responding.
- On-call pay is not considered special compensation and thus will not be included as a part of final compensation in calculating CalPERS pension.

### **Holiday Pay**

- Any employee scheduled who works on either the actual holiday or the observed holiday will be paid at one and one-half times the employee's regular rate of pay. Since the employee is working the holiday, the employee will also be paid an additional eight hours at regular pay for that holiday.



## Board of Directors Staff Report

**To:** TVMWD Board of Directors

**From:** Matthew H. Litchfield, General Manager 

**Date:** May 1, 2019

**Subject:** **Resolution No. 19-05-849 Initiating Procedures to Fix, Adjust, Levy and Collect a Water Standby Charge**

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<input checked="" type="checkbox"/> <b>For Action</b>	<input type="checkbox"/> <b>Fiscal Impact</b>	<b>\$</b>
<input type="checkbox"/> <b>Information Only</b>	<input type="checkbox"/> <b>Funds Budgeted:</b>	

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**Staff Recommendation:**

**Board approval of Resolution No. 19-05-849 Initiating Procedures to Fix, Adjust, Levy and Collect a Water Standby Charge for the 2019-20 tax year.**

**Discussion:**

Attached is a proposed resolution to initiate procedures to fix, adjust, levy and collect a Water Standby Charge in the 2019-20 tax year. The rate and methodology for the standby charge are described in the draft Engineer's Report prepared by Willdan Financial Services, Exhibit B, which is also available for review in TVMWD's office during business hours.

If the resolution is approved, the standby charge would be collected by Los Angeles County on property tax bills within TVMWD's service area. The charge is expected to generate \$3.5 million (plus \$52,000 for other charges which include the engineering report, county admin fees, public hearing notices and legal costs). The funds will be applied to the Metropolitan Water District's (MWD) Readiness-To-Serve (RTS) charge of \$5.4 million for fiscal year 2019-20. The balance of the RTS charge will be collected by MWD on property tax bills from a separate standby charge imposed on parcels within TVMWD's service area. The TVMWD Board will hold a public meeting at its June 5, 2019 meeting, followed by consideration of a resolution to adopt the TVMWD Standby Charge at its public hearing scheduled for June 19, 2019.

TVMWD first adopted a standby charge in 1996. If approved again this year, it will retain the same methodology that was used in 1996. For the 2019-20 tax year the proposed annual rate for a typical residential homeowner will be \$19.23 per equivalent dwelling unit.

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

Task	Date
Willdan Financial Services to prepare draft copies of the Engineer's Report and deliver to TVMWD	4/17/19
Willdan Financial Services to deliver bound copies of the Engineer's Report to TVMWD for the Resolution of Intention Board Meeting	4/24/19
<b>Resolution of Intention Board Meeting</b>	<b>5/1/19</b>
TVMWD to publish Joint Public Meeting/Public Hearing Notice:	First notice 5/15/19 Second notice 5/22/19 Third notice 5/29/19
<b>Public Meeting to consider Resolution to Adopt Standby Charge</b>	<b>6/5/19</b>
TVMWD to publish Public Hearing Notice:	First notice 6/5/19 Second notice 6/12/19
Willdan Financial Services to deliver final Engineer's Report to TVMWD for the Public Hearing	6/12/19
<b>Public Hearing to consider Resolution to Adopt Standby Charge</b>	<b>6/19/19</b>
Submit assessments to Los Angeles County	8/10/19
Submit levy correction to Los Angeles County	8/31/19
Submit diskette and report with applied levy summary to TVMWD	9/30/19

**Strategic Plan Objective(s):**

- 3.1 – Utilize and comply with a set of financial policies to maintain TVMWD's financial health
- 3.3 – Be accountable and transparent with major decisions.

**Attachment(s):**

Exhibit A – Resolution No. 19-05-849 Initiating Procedures to Fix, Adjust, Levy, and Collect a Water Standby Charge

Exhibit B – Standby Charge Draft Engineer's Report

**Meeting History:**

Board of Director's Meeting – March 6, 2019, Information Item Only

Board of Director's Meeting – April 3, 2019, Information Item Only

Board of Director's Meeting – April 17, 2019, FY 2019-20 Budget Adoption

NA/LC

# Item 7.C1 - Exhibit A

**RESOLUTION NO. 19-05-849**  
**A RESOLUTION OF THE BOARD OF DIRECTORS**  
**OF THREE VALLEYS MUNICIPAL WATER DISTRICT**  
**INITIATING PROCEDURES TO FIX, ADJUST, LEVY, AND COLLECT**  
**A WATER STANDBY CHARGE**

**WHEREAS**, the Three Valleys Municipal Water District (“the District”) is a municipal water district organized and operating pursuant to Water Code Section 71000 et seq.

**WHEREAS**, under the Uniform Standby Charges Procedures Act, Government Code Section 54984 et seq. (“the Act”), the District is authorized to fix before August 10 of any given year a water standby charge on land within its jurisdiction to which water service is made available for any purpose by the District, whether the water services are used or not.

**WHEREAS**, under the Act the Board may establish schedules varying the charge according to land uses, benefit derived or to be derived from the use, availability of facilities to provide water service, the degree of availability or quantity of the use of the water to the affected lands, and may restrict the assessment to one or more improvement districts or zones of benefit established within the jurisdiction of the District, and may impose the charge on an area, frontage, or parcel basis, or a combination thereof.

**WHEREAS**, on July 10, 1996, the District’s Board of Directors adopted Resolution No. 7-96-361 which established a standby charge under the Act that was designed to fund the Readiness-to-Serve (“RTS”) charge imposed upon the District by the Metropolitan Water District of Southern California (“MWD”) and related administrative costs incurred by the District in connection therewith.

**WHEREAS**, Resolution No. 7-96-361 expressly provided that the District’s standby charge was based upon the report of a qualified engineer which fixed that amount of the standby charge for the 1996-97 fiscal year at \$5.92 per equivalent dwelling unit (“EDU”) and provided for the adjustment of that standby charge during subsequent fiscal years according to the actual amount by which the RTS charge increased, and subject to a maximum assessment amount of \$29.41 per EDU.

**WHEREAS**, Water Code Section 71639(b) authorizes the District to adjust the amount of its standby charge if the adjustment is made in the same manner as provided for taxes, fees, and charges in Government Code Section 53750(h)(2), which provides that a tax, fee, or charge is not deemed to be increased by an agency action that does either or both of the following: (A) adjusts the amount thereof in accordance with a schedule of adjustments adopted by the agency prior to November 6, 1996; or (B) implements or collects a previously approved tax, fee, or charge, so long as the rate is not increased beyond the level previously approved by the agency, and the methodology previously approved is not revised by the agency.

# Item 7.C1 - Exhibit A

**WHEREAS**, Water Code Section 71639(c) further authorizes the District to adjust the amount of its standby charge if all of the following conditions are met: (1) the amount of the assessment does not exceed \$29.41 per EDU; (2) the revenue raised by the assessment, including its annual adjustments, is used exclusively to fund the RTS charge, or equivalent charge, imposed upon the District by MWD, and related administrative costs; and (3) the District adjusts its water rates to its retail agencies by an amount necessary to prevent surplus funding of the RTS charge imposed upon the District by MWD.

**WHEREAS**, Water Code Section 71639(c) further provides that in order for the District to fix a standby charge pursuant to the Act, the District's Board of Directors must adopt a resolution to initiate such proceedings, cause notice of intent to adopt the assessment to be published in accordance with Government Code Section 6066 prior to the date set for adoption thereof, and, at the time and place set forth in said notice, conduct a hearing on the assessment and hear and consider any and all objections thereto.

**NOW, THEREFORE, BE IT RESOLVED** that TVMWD's Board of Directors ("Board") does hereby adopt and order as follows:

1. The public interest and necessity requires the Board of Directors of the District to adopt this Resolution initiating proceedings to fix, levy, and collect standby charges pursuant to the Act to meet additional financial obligations imposed upon the District by MWD and all administrative costs related thereto.
2. The standby charge proposed to be adopted by the Board of Directors of the District is based upon the report of a qualified engineer, Willdan Financial Services, which is on file with the District, and available for review during regular business hours. The content of the Engineer's Report is incorporated herein in full by this reference, including, but not limited to, all statements and determinations specifically relating to each of the following:
  - a. A description of the charge and the method by which it is proposed to be imposed;
  - b. A compilation of the amount of the charge proposed for each parcel subject to the charge;
  - c. A statement of the methodology and rationale followed in determining the degree of benefit conferred by the service for which the proposed charge is made;
  - d. The District's legal ability to fix and adjust a standby charge, the amount of the proposed charge, and the properties affected thereby;
  - e. A description of the lands upon which the charge is proposed to be imposed; and
  - f. The amount of the proposed charge for each of the lands so described.

# Item 7.C1 - Exhibit A

3. On June 5, 2019, at 8:00 a.m., at the District office located at 1021 East Miramar Avenue, Claremont, California, the Board of Directors will hold a public meeting to consider a Resolution to Adopt Standby Charge, which public meeting shall be conducted in the manner set forth in the Act. At the public meeting, the District's Board of Directors may also consider whether to provide that if any charge so adopted becomes delinquent, the amount of the delinquency, together with any interest and penalties thereon, should constitute a lien on the affected property upon the filing of a certificate in the Office of the County Recorder, which lien may have the same force, effect, and priority as a judgment lien. At the public meeting, the District's Board of Directors will hear and consider all objections or protests to the proposed charges pursuant to the requirements of the Act.
4. On June 19, 2019, at 8:00 a.m., at the District office located at 1021 East Miramar Avenue, Claremont, California, the Board of Directors will hold a public hearing to adopt the District's Standby Charge, which hearing shall be conducted in the manner set forth in the Act. At the public hearing, the District's Board of Directors will vote to adopt the Standby Charge Resolution and will also consider whether to provide that if any charge so adopted becomes delinquent, the amount of the delinquency, together with any interest and penalties thereon, will constitute a lien on the affected property upon the filing of a certificate in the Office of the County Recorder, which lien may have the same force, effect, and priority as a judgment lien. At the hearing, the District's Board of Directors will hear and consider all objections or protests to the proposed charges pursuant to the requirements of the Act.
5. The District's General Manager is hereby authorized and directed to cause notice of the date, time, and place of the public hearing on the proposed charges to be duly published prior thereto as required by the Act and Water Code Section 71639(c).

**ADOPTED** and **PASSED** at a meeting of the Three Valleys Municipal Water District's Board of Directors, on this 1<sup>st</sup> day of May 2019 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

---

Bob Kuhn, President

ATTEST:

---

Brian Bowcock, Secretary

SEAL:



# **Three Valleys Municipal Water District**

## **Water Standby Charge Assessment**

**2019/2020 ENGINEER'S ANNUAL LEVY REPORT**

Intent Meeting: May 1, 2019  
Public Hearing: June 19, 2019

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**ENGINEER'S REPORT  
THREE VALLEYS MUNICIPAL WATER DISTRICT  
WATER STANDBY CHARGE ASSESSMENT**

**INTRODUCTION**

Pursuant to the provisions of Section 54984 et seq. of the Government Code of the State of California, being Chapter 12.4, "Uniform Standby Charge Procedures Act" (the "Act"), and in accordance with Resolution No. 7-96-361 of the Board of Directors (the "Board") of the Three Valleys Municipal Water District (the "District"), adopted on July 10, 1996 establishing a Water Standby Charge Assessment, I, Richard Kopecky, P.E., duly authorized representative of Willdan Financial Services, consultant to the District, submit this Engineer's Report for FY 2019/2020 consisting of the following parts and exhibits:

**SECTION I**

A description of each parcel of property and the boundaries of the area proposed to be subject to the levy of the uniform standby charge assessment.

**SECTION II**

An estimate of the costs of water services to be financed from the proceeds of the uniform standby charge assessment.

**SECTION III**

A description of the uniform standby charge assessment including:

- a. A description of each lot or parcel of property proposed to be subject to the assessment.
- b. The amount of the assessment for each lot or parcel.
- c. The assessment methodology describing the basis of the assessment.
- d. A description specifying the requirements for written and oral protests and the protest thresholds necessary for requiring a vote on, or abandonment of, the proposed assessment.

Dated: \_\_\_\_\_

Willdan Financial Services

BY: \_\_\_\_\_  
Susana Hernandez, Project Manager

BY: \_\_\_\_\_  
Richard Kopecky, P.E.  
Registration No. CE 16742

***I. DESCRIPTION OF THE PROPOSED PARCELS AND ASSESSMENT BOUNDARIES***

---

The proposed uniform standby charge assessment is entitled:

**THREE VALLEYS MUNICIPAL WATER DISTRICT  
WATER STANDBY CHARGE ASSESSMENT**

The boundaries of the area proposed to be subject to the levy of the Water Standby Charge Assessment are completely contiguous with the boundaries of the District. The lines and dimensions of each lot or parcel within the District Boundaries are those lines and dimensions shown on the maps of the Assessor of the County of Los Angeles for the year when this report was prepared and are incorporated herein by reference and made part of this Engineer's Report.

All future annexations to the District shall be included in the Water Standby Charge Assessment. In future years, if any new parcels are created as a result of the division or consolidation of land, re-computation of the assessments will be conducted and the new parcels will be included within the area of assessment.

***II. ESTIMATE OF COSTS***

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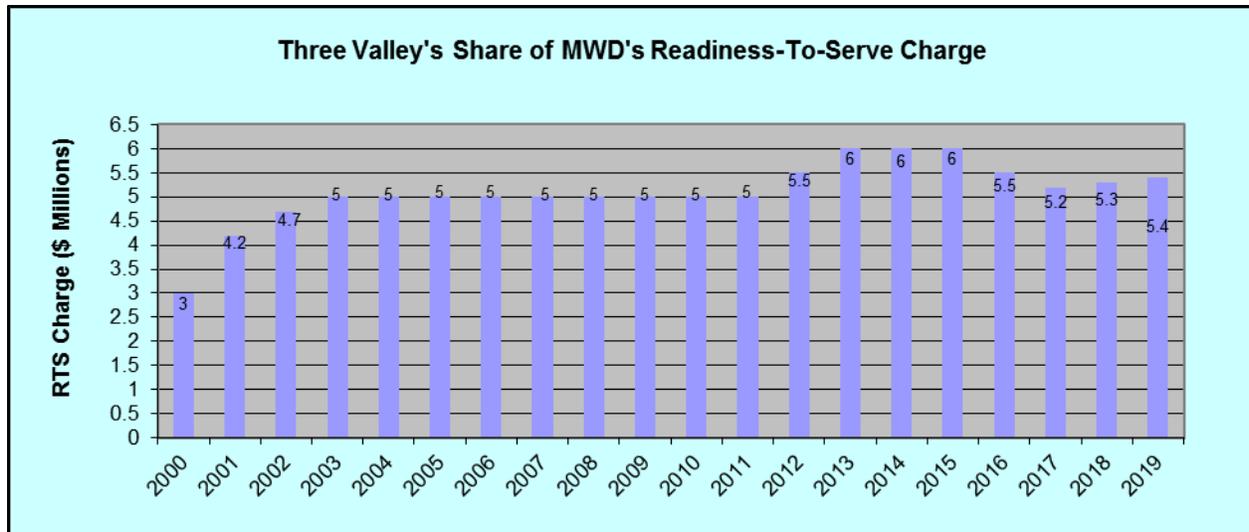
The Water Standby Charge Assessment revenue will be used for the purpose of meeting the Readiness-to-Serve (“RTS”) charge imposed by the Metropolitan Water District of Southern California (“MWD”), and for related administrative costs.

The following table lists the projections for the RTS Charge, Administration Cost and Estimated Maximum Total Assessment to be funded by the assessment.

	FY 2012/2013	FY 2013/2014	FY 2014/2015	FY 2015/2016	FY 2016/2017	FY 2017/2018	FY 2018/2019	FY 2019/2020
RTS Charge	\$5,541,364	\$6,022,555	\$6,371,116	\$6,074,192	\$5,537,230	\$5,233,954	\$5,274,931	\$5,363,969
Assessment Administration	\$49,832	\$50,332	\$51,056	\$51,675	\$52,057	\$52,709	\$53,383	\$52,074
Est. Maximum Assessment	\$5,379,146	\$5,374,162	\$5,375,222	\$5,441,758	\$5,445,359	\$5,443,845	\$5,425,678	\$5,431,833

## Item 7.C2 - Exhibit B

The estimated RTS charge through the year 2002 was based on the schedule provided by MWD shown in the chart below. Years 2003 through 2011 were based on the projected RTS charge of \$5 million. The 2012 through 2019 RTS charges are based on the amount approved by the Southern California Metropolitan Water District Board for each year.



The amount budgeted to be generated by the assessment for FY 2019/2020 is \$3,551,627.77 as calculated in Section III.

Administration of the assessment is performed annually. This administration includes updating the annual assessment roll to ensure consistency with the assessment methodology detailed in this Engineer's Report. The administration also includes an analysis of the revenues and expenditures from the previous Fiscal Year and preparation of an annual report for submittal to the Board of Directors for approval of the proposed Fiscal Year's assessments and expenditures. The table below provides a comparison of the assessment between fiscal years.

	FY 2018/2019 <sup>(1)</sup>	FY 2019/2020	Difference	Percentage Difference
Parcels	134,530	134,530	0	0.00%
EDU's	184,693	184,693	0	0.00%
Rate/EDU	\$18.79	\$19.23	\$0.44	2.34%
Est. Revenue	\$3,470,362.78	\$3,551,627.77	\$81,264.99	2.34%

<sup>(1)</sup> Totals for FY 2018/2019 are based on the final applied levy by the Los Angeles County Auditor-Controller's Office.

Note: Difference between Estimated Revenue and EDUs multiplied by the Rate is due to rounding.

## **III. DESCRIPTION OF ASSESSMENTS**

---

This section of the report describes the methodology developed to establish the basis of assessment for apportioning the cost of providing water services, and the facilities needed to provide water services, to each lot or parcel based upon the type of use or potential use of each property. The basis of assessment was developed by Berryman & Henigar based upon information provided by the District, standard and member agency design criteria, and the requirements of Section 54984.2 of the Uniform Standby Charge Procedures Act. The following sections review the requirements of the California Government Code and describe the recommended assessment methodology.

### **A. LEGAL REQUIREMENTS**

Chapter 12.4 "Uniform Standby Charge Procedures Act" of the California Government Code states that any local agency that provides water services may, by resolution adopted after notice and hearing, determine and levy an assessment for water services pursuant to this chapter.

The California Government Code further requires that the agency establish a methodology, which is related to the benefit received from the water services for calculating the assessment to be levied on each parcel. Section 54984.2 provides that:

“...The governing body of the agency which fixes the charge may establish schedules varying the charge according to land uses, benefit derived or to be derived from the use or availability of facilities to provide water, sewer, or water and sewer service, or the degree of availability or quantity of the use of the water, sewer, or water and sewer services to the affected lands, and may restrict the assessment to one or more improvement districts or zones of benefit established within the jurisdiction of the agency. The charge may be imposed on an area, frontage, or parcel basis, or a combination thereof.”

All assessments described in this Report and approved by the Board are prepared in accordance with the Act and are in compliance with the provisions of the *California Constitution Article XIID* (enacted by the passage of Proposition 218 in November 1996).

Pursuant to the *California Constitution Article XIID Section 5*, certain assessments that were existing on July 1, 1997, the effective date of *Article XIID*, are exempt from the substantive and procedural requirements of *Article XIID Section 4* and property owner balloting for the assessments is not required until such time that the assessments are increased. Exempt are any assessments imposed exclusively to finance the capital costs or maintenance and operation expenses for sidewalks, streets, sewers, water, flood control, drainage systems, or vector control.

In May of 2005, Senate Bill 376, was enacted to add Article 2.7 (commencing with Section 71639) to Chapter 2 of Part 5 of Division 20 of the Water Code, relating to water. This bill authorizes the agency to adopt the standby charge rate with a schedule of annual adjustments, and to adjust the standby charge rate in relation to the change of the MWD imposed RTS charge, subject to the maximum assessment amount of twenty-nine dollars and forty-one cents (\$29.41) per Equivalent Dwelling Unit (“EDU”).

## B. ASSESSABLE PARCELS

The table below summarizes the number of parcels and the total acreage by land use type. This information is based on the records of the Assessor of the County of Los Angeles.

Land Use Category	Number of Parcels	Dwelling Units (DU's)	Acres
Single-Family Residential (SFR)	102,983	102,983	N/A
Multi-Family Residential and Condominiums	22,239	44,298	N/A
Mobile Home Parks	101	8,225	N/A
Commercial	3,841	N/A	4,816.69
Churches	243	N/A	445.94
Industrial	2,016	N/A	4,113.06
Recreational Camping Facilities	2	N/A	7.87
Vacant Residential	2,199	N/A	7,391.21
Vacant Non-Residential	906	N/A	1,126.87
Exempt	0	N/A	0.00
<b>Total</b>	<b>134,530</b>		

The land use classifications are defined as follows:

**Single-Family Residential** - parcels designated as single-family residential per the Los Angeles County Assessor's Roll.

**Multi-Family Residential (including Condominiums)** - parcels designated as multi-family residential, which includes duplexes, apartments, condominiums or other dwelling units with common party walls, per the Los Angeles County Assessor's Roll.

**Mobile Homes** - parcels designated as mobile homes per the Los Angeles County Assessor's Roll.

**Commercial (including Churches)** - parcels designated as commercial, institutional or recreational per the Los Angeles County Assessor's Roll.

**Industrial** - parcels designated as industrial, utility or other miscellaneous uses, per the Los Angeles County Assessor's Roll.

**Recreational Camping Facilities** - parcels designated as camps per the Los Angeles County Assessor's Roll.

**Vacant** - parcels designated as vacant residential that have no dwelling units, or parcels designated as vacant commercial/industrial that have no commercial/industrial structures on them, per the Los Angeles County Assessor's Roll.

**Exempt** - Exempted from the assessment would be any parcel owned by a public agency or within the area of public streets and other public properties, utility easements, right-of-way, public schools, public parks, and common areas or un-developable parcels of land.

## C. EQUIVALENT DWELLING UNITS

To determine the benefit to the individual parcels with their varying land uses, an equivalent dwelling unit system was established. Each parcel is assigned equivalent dwelling units (EDUs) in proportion to the estimated benefit the parcel receives from the availability of water services. The total number of EDUs is then divided into the annual revenue requirement to determine the cost per EDU. The assessment for each parcel is then determined by multiplying the number of EDUs for each parcel by the cost per EDU.

Since the assessment is based upon the use of the property and the potential water usage of the property, the assessment methodology has been developed based on land use. The assessment methodology developed determines the number of EDUs to be assigned to each parcel. In determining the number of EDUs assigned, three factors are considered: parcel size, land use (intent of development), and the water use design factor of the land use of the property.

Equivalent Dwelling Unit (EDU) factors have been established to indicate the estimated benefit received by each parcel within the District. This method of assessment has established the single-family residential parcel as the basic unit for calculation of the assessment and is defined as one (1) EDU. All other parcels within the District are assigned a proportional EDU based on a formula that equates the properties specific development status (land use) and size to that of the single-family parcel.

The assignment of EDUs to each of the different land uses is as follows:

**Single-Family Residential (SFR).** The single-family parcel has been defined as being **1.0 EDU**.

**Multi-Family Residential.** Multi-family or condominium parcels are converted to EDUs based on the number of dwelling units on each parcel. Due to population density and size of structure relative to the typical single-family residence, each dwelling unit defined as multi-family residential, including condominiums is **0.75 EDU**. Water availability benefit does not increase proportionately as the number of units increase on a multi-family parcel. By decreasing the equivalency as the number of units increase, a reasonable benefit assessment is achieved. Therefore, the equivalency is reduced to **0.5 EDU** per dwelling unit, for apartment buildings with 5 units or more. Parcels with 5 or more units are considered "high density" as opposed to the "medium density" of duplexes, triplexes and four-plexes, and the Los Angeles County Assessor's land use codes segregate these parcels out.

**Mobile Homes.** Mobile home parks, and mobile homes located within mobile home parks, are converted to EDUs based on the population density and size of structure relative to a single-family residence. Therefore, mobile home parks and mobile homes located in mobile home parks are assessed **0.5 EDU** per mobile home. No decrease is applied to this factor, as mobile homes are all separate dwellings with no common walls.

Studies have consistently shown that the average apartment unit impacts infrastructure approximately 75% as much as a single-family residence, and the average mobile home unit impacts infrastructure approximately 50%, (Sources: Institute of Transportation Engineers Informational Report Trip Generation, Fifth Edition, 1991; Metcalf and Eddy, Wastewater Engineering Treatment, Disposal, Reuse, Third Edition, 1991). Trip generation and wastewater usage are functions of population density. It is concluded that other infrastructure will be similarly impacted at a reduced level. The smaller average unit size of multiple residential and mobile homes and their reduced impact on water use result in a lesser benefit per unit to property.

**Commercial/Industrial.** Commercial and industrial parcels are converted to EDUs based on the lot size of each parcel of land. The number of equivalent dwelling units per acre for commercial/industrial property has been equated to the average single-family residential lot size of approximately 8,700 square feet, or 5 lots per acre. All properties that are developed for commercial/ industrial uses are therefore assigned **5.0 EDU's** per acre for the first five acres, with a minimum of 1 EDU per parcel. Based upon a review of large non-residential parcels within the District, as the parcel size increases above five acres, the development density on the parcel generally decreases due to requirements to provide on-site circulation, allow for the storage of materials or equipment, provide buffers to adjacent land uses and other factors associated with the types of development which require larger parcels. Therefore, after the first 5 acres, each additional acre will be charged as vacant land as further described below; 25% of 5.0 EDU's, or 1.25 EDU's per acre.

Additionally, a water use factor is applied to both the commercial and industrial parcels as follows, based on relative average water usage as compared to single-family residential developments:

- Commercial Water Use Factor = 1.4
- Industrial Water Use Factor = 1.1

**Recreational Camping Facilities.** Recreational camping facilities typically have large land areas comprised of mostly park-like open space and only a few buildings. Therefore, to more accurately assign EDUs to these parcels, a "theoretical area" will be calculated for each of them. The typical developed commercial parcel has 1/3 of its lot area covered by improvements. Using this standard, the "theoretical area" is computed by multiplying the improvement area of each camping parcel by 3. This "theoretical area" is then converted to acreage, and the Equivalent Dwelling Unit factor of 5 EDU per acre is applied.

**Vacant.** Vacant property receives a benefit from water services availability. Water availability allows the parcel to develop to its maximum use in the future. Based upon the opinions of professional appraisers who appraise current market property values for real estate in Southern California, the land value portion of a property typically ranges from 20 to 30 percent; in the Three Valleys Municipal Water District, the average is about 25 percent. Additionally, the utilization of vacant property is significantly less than improved property. Consequently, vacant property shall be assessed at the rate of 25% of improved property. Therefore, vacant single-family residential parcels are assessed 25% of a developed SFR parcel, or **0.25 EDU** per parcel, and vacant non-SFR parcels are assessed at the rate of 25% of the developed commercial/industrial properties, or **1.25 EDUs** per acre or any portion thereof, up to a maximum of 5 acres per parcel.

# Item 7.C2 - Exhibit B

A summary of Equivalent Dwelling Units and Benefit Factors is shown on the following table:

EQUIVALENT DWELLING UNITS						
Land Use	Basic Unit		EDU Factor		Use Factor	EDU Rates
Single-Family Res. (SFR)	1 DU	x	1	x	1	= 1.0 EDU/DU
Multi-Family Res. and Condominiums	1 DU	x	0.75	x	1	0.75 EDU/DU for the first 4 DU's
	1 DU	x	0.5	x	1	= 0.5 EDU/DU after the 4 <sup>th</sup> DU
Mobile Homes	1 DU	x	0.5	x	1	= 0.5 EDU/DU
Commercial	1 acre	x	5	x	1.4	= 7.0 EDU/acre for the first 5 acres (min. 1 EDU/parcel)
	1 acre	x	1.25	x	1.4	= 1.75 EDU/acre after the 5 <sup>th</sup> acre
Industrial	1 acre	x	5	x	1.1	= 5.5 EDU/acre for the first 5 acres (min. 1 EDU/parcel)
	1 acre	x	1.25	x	1.1	= 1.375 EDU/acre after the 5 <sup>th</sup> acre
Recreational Camping Facilities	1 acre*	x	5	x	1	= 5.0 EDU/acre
Vacant SFR	1 parcel	x	0.25	x	1	= 0.25 EDU/parcel
Vacant Non-SFR	1 acre	x	1.25	x	1	= 1.25 EDU/acre (min. .25 EDU/parcel; max of 5 acres/parcel)

\*Acre = theoretical acre

**D. ASSESSMENT RATES**

The total number of Equivalent Dwelling Units (EDUs) has been calculated for the District based upon current land use data as shown on the latest assessor's roll for Los Angeles County and the methodology described above. The number of EDUs by land use type is shown in the table below:

Land-Use Type	Equivalent Dwelling Units
SFR	102,983.00
MFR and Condominium	30,175.50
Mobile Home Parks	4,629.00
Commercial	25,762.76
Churches	2,886.07
Industrial	17,062.49
Recreational Camping Facilities	0.73
Vacant SFR	549.75
Vacant Non-SFR	644.09
<b>Total:</b>	<b>184,693.39</b>

Based upon the budget of \$3,551,627.77 as shown in Section II of this report, the Assessment Rate for FY 2019/2020 per Equivalent Dwelling Unit (EDU) is **\$19.23/EDU**, as calculated below.

Total Equivalent Dwelling Units	Applied Assessment Rate/EDU	FY 2019/2020 Total Assessment Revenue
184,693.39	\$19.23	\$3,551,627.77

Note: Difference in Total Assessment and EDUs multiplied by the Rate is due to rounding.

The following table, Summary of Assessment Rates, provides the proposed Maximum Assessment and Applied Assessment Rates for the ten-year period beginning with FY 2009/2010. The Board may continue to levy the Assessment in future years (i.e. beyond FY 2019/2020) so long as MWD continues to impose the RTS charge upon the District. However, the maximum Assessment Rate per EDU shall never be greater than \$29.41, nor shall the total amount assessed be greater than the sum of the RTS charge and administrative costs.

## SUMMARY OF MAXIMUM AND APPLIED ASSESSMENT RATES

Fiscal Year	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Maximum Assessment Rate/EDU	\$29.41	\$29.41	\$29.41	\$29.41	\$29.41	\$29.41	\$29.41	\$29.41	\$29.41	\$29.41
Applied Assessment Rate/EDU	\$15.55	\$18.54	\$20.46	\$23.11	\$25.02	\$23.09	\$20.16	\$18.51	\$18.79	\$19.23

### E. AMOUNT OF ASSESSMENT

The amount of the proposed assessment for FY 2019/2020, based on EDUs as apportioned to each parcel shown on the latest roll of the Los Angeles County Assessor, is contained in the Assessment Roll on file in the office of the Secretary of the Three Valleys Municipal Water District. The description of each parcel is part of the records of the County Assessor and these records are, by reference, made a part of this Engineers Report.

### F. ACCURACY OF DATA

The data utilized in developing the assessment rate calculations has been taken directly from the Los Angeles County Assessor's Roll.

Some parcels that are partially improved often will appear on the Assessor's roll as improved. These parcels that are brought to the attention of the District, and are found to be so classified after field review, will have their assessment revised per this report: for that portion of the property which is improved, the developed land use benefit formula will apply; for that portion of the property which is unimproved, the vacant land use benefit formula will apply.

Should a property owner find a discrepancy regarding a parcel, it is recommended that the owner notify the Three Valleys Municipal Water District by contacting the Secretary of the Three Valleys Municipal Water District. If warranted, the District will assist the owner in processing a correction with the County Assessor's Office. The District will be responsible for revisions to the Water Standby Charge Assessment for the property for the current Fiscal Year if the change in amount is greater than five percent (5%). If the change is less than or equal to five percent, then the adjustment for the following year will be made at the time that the annual assessments are determined for the next Fiscal Year, and no refund will be made for the previous year's assessment.

## EXHIBIT A - SAMPLE CALCULATIONS FOR VARIOUS LAND USES

Land Use	Benefit Calculation (EDU) x (Use Factor)				Total EDUs	Assessment \$19.23 /EDU
Single Family Res.	(1 DU x 1 EDU/DU)	x	1.0	=	1	\$19.23
Triplex	(3 DU x .75 EDU/DU)	x	1.0	=	2.25	\$43.27
10-Unit Apartment	[(4 DU x .75 EDU/DU) + (6 DU x .5EDU/DU)]	x	1.0	=	6	\$115.38
90-Unit Apartment	[(4 DU x .75 EDU/DU) + (86 DU x .5EDU/DU)]	x	1.0	=	46	\$884.58
Store ¼ acre parcel	(¼ acre x 5.0 EDU/acre)	x	1.4	=	1.75	\$33.65
Bank/Office Bldg. ½ acre parcel	(½ acre x 5.0 EDU/acre)	x	1.4	=	3.5	\$67.31
Office Building 2 acre parcel	(2 acre x 5.0 EDU/acre)	x	1.4	=	14	\$269.22
Service Station ⅓ acre parcel	(⅓ acre x 5.0 EDU/acre)	x	1.4	=	2.333	\$44.86
Light Manufacturing ¼ acre parcel	(¼ acre x 5.0 EDU/acre)	x	1.1	=	1.375	\$26.44
Heavy Manufacturing 7 acre parcel	[(5 ac x 5.0 EDU/ac) + (2 ac x 1.25 EDU/ac)]	x	1.1	=	30.25	\$581.71
Recreational Camping Facility	[(2,500 sf x 3) ÷ 43,560 sf/ac] x 5.0 EDU/ac	x	1.0	=	0.8609	\$16.56
Vacant SFR	(1 parcel x .25 EDU/parcel)	x	1.0	=	0.25	\$4.81
Vacant Non-SFR 1 acre parcel	(1 acre x 1.25 EDU/acre)	x	1.0	=	1.25	\$24.04
Vacant Non-SFR 5+ acre parcel	(5 acre x 1.25 EDU/acre)	x	1.0	=	6.25	\$120.19

Note: Total Assessment EDU may not calculate exactly due to rounding.

***EXHIBIT B – ASSESSMENT ROLL FOR FY 2019/2020***

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Each Assessor Parcel Number and its assessment to be levied for FY 2019/2020 is shown on the Assessment Roll on file in the office of the Secretary of the Three Valleys Municipal Water District and is incorporated herein by reference. Reference is made to the Los Angeles County Assessor's office for further description of the parcels in the District.



## Board of Directors Staff Report

**To:** TVMWD Board of Directors  
**From:** Matthew H. Litchfield, General Manager   
**Date:** May 1, 2019  
**Subject:** Resolution No. 19-05-850 – Employee Bonus

---

<input type="checkbox"/> <b>For Action</b>	<input type="checkbox"/> <b>Fiscal Impact</b>	<input type="checkbox"/> <b>Funds Budgeted</b>
<input checked="" type="checkbox"/> <b>Information Only</b>	<input type="checkbox"/> <b>Cost Estimate:</b>	<b>\$</b>

---

**Recommendation:**

**No Action Necessary – Informational Item Only**

**Discussion:**

Included for review and consideration is Resolution No. 19-05-850 that identifies prior case law relative to such distribution. At the April 3, 2019 board meeting, TVMWD was recognized by ACWA-JPIA with a refund check. As noted by ACWA-JPIA President Jerry Gladbach at the April 3, 2019 meeting, TVMWD's claims experience in liability, property and workers' compensation insurance is compared with the average of the ACWA-JPIA pool. TVMWD's E-MODs (Experience Modification) for each coverage area are always better than average, which has allowed TVMWD to receive an annual refund numerous times.

Recent refund amounts:

- 2019 \$21,359
- 2018 \$48,281
- 2017 \$52,027
- 2016 \$ 5,213
- 2015 \$17,118
- 2011 \$38,528
- 2010 \$43,034
- 2009 \$22,500

In recognition of employee's efforts to control liability, property and workers' compensation insurance costs, the Board President is proposing a one-time discretionary bonus in the amount of \$1,000 to each full-time employee (total \$21,000). Both the General Manager and any employees hired in 2019 are not eligible for the bonus.

**Strategic Plan Objective(s):**

3.3 – Be accountable and transparent with major decisions

**Attachment(s):**

Exhibit A – Resolution No. 19-05-850

**Meeting History:**

April 3, 2019 – Presentation of Refund Check by ACWA-JPIA Board President, Mr. Jerry Gladbach

ML/NA

## RESOLUTION NO. 19-05-850

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF THREE VALLEYS MUNICIPAL WATER DISTRICT TO AUTHORIZE ONE-TIME EMPLOYEE BONUS**

**WHEREAS**, the Three Valleys Municipal Water District is a public agency organized and operating pursuant to the Municipal Water District Law of 1911 (California Water Code Section 71000 et seq.); and

**WHEREAS**, the California Constitution provides in Article XVI, Section 6, that “[a] political corporation or subdivision of the State ... shall [not] have power to make any gift, or authorize the making of any gift, or any public money or thing of value to any individual, municipal or other corporation whatever ...”; and

**WHEREAS**, in the case of employment, courts have found that lump-sum payments to certain employees for work already performed are not invalid as a gift of public funds serving no substantial public purpose because they ensure continued recruitment and retention of qualified employees and resolve perceived uncertainty about proper salary levels [Jarvis v. Cory (1980) 28 Cal. 3d 562, 620 P.2d 598, 170 Cal. Rptr. 11]; and

**WHEREAS**, courts have further held that the granting of benefits to employees for past services is not a gift of public funds, but rather an effort to advance an important public purpose to further the District’s self-interest in retaining the most competent employees in a highly competitive market [San Joaquin County Employees’ Association, Inc. v. San Joaquin County (1974) 39 Cal. App. 3d 83, 113 Cal. Rptr. 912; Walker v. Los Angeles County (1961) 55 Cal. 2d 626, 361 P.2d 247, 12 Cal. Rptr. 671]; and

**WHEREAS**, the facts and circumstances of the ACWA-JPIA refund of \$21,359 to the District as described in the staff report attached hereto and incorporated herein by this reference (“Staff Report”) supports a determination by the District’s Board of Directors (“Board”) that an award of a one-time bonus in the amount of \$1,000 to each full-time District employee would serve a well-recognized public purpose in the governmental agency employment context within the scope of established case law such that any such award by the Board would not constitute an unconstitutional gift of public funds.

**NOW THEREFORE BE IT RESOLVED** by the Board that, based upon the unique facts and circumstances described in the Staff Report and other evidence presented to the Board, the Board hereby finds and determines that an award of a bonus to District employees in a total sum not to exceed the savings directly attributable to employee conduct would serve to advance the dual public purposes of promoting workplace safety and retaining a highly-competent staff, and thus hereby approves the issuance of a one-time bonus in the amount of \$1,000 to each full-time District employee.

# Item 7.D1 - Exhibit A

**ADOPTED** and **PASSED** at a meeting of the Three Valleys Municipal Water District's Board of Directors, on this 1<sup>st</sup> day of May 2019 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Bob G. Kuhn, President

ATTEST:

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Brian Bowcock, Secretary

SEAL: