

**MINUTES
REGULAR BOARD OF DIRECTORS MEETING
THREE VALLEYS MUNICIPAL WATER DISTRICT
VIA TELECONFERENCE**

**Wednesday, October 21, 2020
8:00 a.m.**

1. Call to Order

The Board meeting was called to order at 8:01 a.m. via teleconference. The presiding officer was President Bob Kuhn.

2. Roll Call

Roll call was taken with a quorum of the Board present. Director Goytia experienced technical difficulties but was on camera.

Directors Present

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

Staff Present

Matt Litchfield, General Manager
Steve Kennedy, Legal Counsel
Dominique Aguiar, Operations Supervisor
Nadia Aguirre, Executive Assistant
Liz Cohn, Senior Financial Analyst
Maria Contreras, Admin./Communications Assistant
Karen Harberson, Compliance Specialist
Kirk Howie, Chief Administrative Officer
Tim Kellett, Chief Water Resources Officer
Steve Lang, Chief Operations Officer
James Linthicum, Chief Financial Officer
Lucy Pena, HR/Risk Manager
Robert Peng, I.T. Manager
Ben Peralta, Project Manager

Virtual Attendees: Mike Arnold, Arnold & Associates; Tom Coleman, Rowland Water District; Hugh Coxe, Sustainable Claremont; Demi Espinoza, National Parks Conservation Association; Gregory Foster, Southern California Group; Kristi Foy, Arnold & Associates; Victoria Hahn, Pomona resident; Kirk Hamblin, LSL CPA's; Ed Hilden, Walnut Valley Water District; Erik Hitchman, Walnut Valley Water District; Rich Kikuchi, LSL CPA's; Ben Lewis, Golden State Water Company; Tony Lima, Rowland Water District; Szu Pei Lu, Rowland Water District; Matthew Lyons, State Assembly Member Chris Holden's Office; Evelyn Mendez, Center for Community Action and Environmental Justice; Gabriela Mendez, Center for Community Action and Environmental Justice; John Monsen, National Parks Conservation Association; Stephanie Moreno, Water Quality Authority; Steve Patton, City of Glendora; Bob Pence, Congresswoman Grace Napolitano's Office; Columba Quintero, Native American Land Conservancy; Alfred Sinclair, Walnut Valley Water District; Jennifer Stark, City of Claremont; Brian Teuber, Walnut Valley Water District; Dave Warren, Rowland Water District; Janet Zimmerman, CV Strategies; Lily, Center for Community Action and Environmental Justice.

9610

3. Additions to Agenda

No additions to the agenda were requested.

4. Reorder Agenda

No reorder to the agenda was requested.

5. Public Comment

President Kuhn called for public comment.

Ms. Gabriela Mendez from the Center for Community Action and Environmental Justice spoke in opposition to the Cadiz Project.

Ms. Columba Quintero from the Native American Land Conservancy spoke in opposition to the Cadiz Project and study.

Mr. Hugh Coxe from Sustainable Claremont spoke in opposition to the Bonanza Springs study process.

6. Presentation

Mr. Mike Arnold and Ms. Kristi Foy of Arnold and Associates provided a legislative update. We are in the second year of the 2019-2020 session. Over 100 key bills were tracked with 12 being supported and 7 being opposed. AB 2107 was a key bill supported to securitize loan obligation notes. Governor Newsom will release the proposed budget in January 2021 with at least an \$8.7 billion budget deficit.

7. Consent Calendar

The Board was asked to consider consent calendar items (7.A - 7.H) for the October 21, 2020 Board meeting that included: (7.A) Receive, Approve and File Minutes: September 2, 2020 and September 16, 2020; (7.B) Receive, Approve and File Financial Reports and Investment Update, September 2020; (7.C) Imported Water Sales, September 2020; (7.D) Miramar Operations Report, September 2020; (7.E) Approve Director Expense Reports, September 2020; (7.F) Approve Resolution No. 20-10-880 of the TVMWD Supporting Approval of the CBWM Optimum Basin Management Program; (7.G) Approve Purchasing Policy Update; (7.H) CY 2021 Holiday Schedule.

Upon motion and second, President Kuhn called for discussion. There being no discussion, the consent calendar was approved.

Moved: Director Roberto	Second: Director Bowcock
Motion No. 20-10-5288 – Approval of Consent Calendar Items 7.A – 7.H for October 21, 2020	
Motion passed 7-0	

8. General Manager's Report

8.A – FY 19-20 Audit and Comprehensive Annual Financial Report (CAFR)

Mr. James Linthicum advised this item is to approve and file the FY 19-20 audit and CAFR. Mr. Rich Kikuchi & Mr. Kirk Hamblin of LSL CPA's reviewed the Audit Communication Letter, Report on Internal Controls and Independent Auditor's Report which includes the CAFR. The Independent Auditor's Report was issued an unmodified opinion. The Report on Internal Controls noted no deficiencies or weaknesses. The GFOA award was received for the FY 18-19 CAFR for the 13th consecutive year. Mr. Linthicum thanked Ms. Liz Cohn and Ms. Esther Romero for all their hard work in preparation for the audit and CAFR.

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

Moved: Director De Jesus	Second: Director Bowcock
Motion No. 20-10-5289 – Approval of FY 19-20 Audit and CAFR	
Motion passed 7-0	

8.B – FY 19-20 Final Reserve Schedule

Mr. Linthicum advised there are 12 capital projects with funds remaining of \$1,177,500 to return to the Capital Asset Reserves to be used for future projects. Seven projects were not completed by June 30, 2020 and will require \$396,462 of unused capital project funds to complete the listed projects during FY 20-21. The total board designated and unassigned reserves are above the \$10 million goal for emergency reserves.

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

Moved: Director Bowcock	Second: Director Roberto
Motion No. 20-10-5290 – FY 19-20 Final Reserve Schedule	
Motion passed 7-0	

8.C – Audit Services Agreement

The audit services agreement being considered with Lance, Soll & Lunghard, LLP (LSL) is for a five-year term. LSL's agreement reflects a 1.8% increase for FY 20-21 and 2% increases for the for the subsequent four fiscal years through FY 24-25. LSL will continue to rotate the audit partner over the agreement period to increase their objectivity and provide a fresh perspective. A discussion ensued among the board of directors regarding the term of the agreement. Staff was directed to review the 5-year term and potentially decrease the term at the next iteration of the draft proposal. Director Jackman motioned and Director Roberto seconded to move the agreement to the November 4, 2020 board meeting for further discussion.

8.D – Review Insurance Plan Changes to Life and Accidental Death & Dismemberment Insurance, Short-Term Disability and Long-Term Disability

Ms. Lucy Peña provided a review of insurance plan changes to Life and Accidental Death & Dismemberment Insurance, Short-Term Disability and Long-Term Disability that will lower the employee and employer contribution rate while maintaining the same level, or in some cases, a higher level of coverage. Detailed changes are included in the staff report. The board of directors requested to see if the coverage limits for the life insurance policy for staff can be increased to \$300,000. The board of directors inquired if their own coverage limits can be increased as well as if there is an option to purchase additional life insurance. This item will be brought back to a future meeting in response to questions raised by the Board.

9. Directors' / General Manager's Oral Reports

Director De Jesus provided an MWD update. Chairwoman Gloria Gray was re-elected to a 2-year term and the search for a new General Manager continues. Director De Jesus will continue in his position as Vice President on the MWD Board.

Director Bowcock referred to Mr. Litchfield for the Main San Gabriel Basin Watermaster update.

Director Kuhn advised the Chino Basin Watermaster is in the process of approving the OBMP. Discussions between the Agricultural Pool and Appropriators continues.

Director Kuhn provided a brief COG update on behalf of Director Goytia since he was experiencing technical difficulties.

Director Roberto inquired on establishing an educational program for constituents.

Director Mendoza had nothing to report.

Director Jackman would like materials to use in the field to better educate the community.

Mr. Litchfield confirmed the MSGBWM agreement has been approved by the court. Mr. Litchfield acknowledged Mr. Linthicum, Ms. Cohn and Ms. Romero for their work on the CAFR this year.

10. Closed Session

The Board convened into closed session at 10:45 a.m. to discuss the following item:

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 11:19 a.m. and no reportable action was taken.

11. Future Agenda Items

Mr. Litchfield advised a special workshop will be agendized to address an education program.

12. Adjournment

The Board adjourned at 11:20 a.m. to its next regular meeting scheduled for Wednesday, November 4, 2020.



Bob Kuhn
President, Board of Directors



Recorded by: Nadia Aguirre
Executive Assistant